

PT Bank Rakyat Indonesia (Persero) Tbk and its Subsidiaries

**Interim consolidated financial statements
as of June 30, 2018
and for the six-month period then ended
with report on review of interim financial information**



PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

KANTOR PUSAT

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BOARD OF DIRECTORS' STATEMENT REGARDING THE RESPONSIBILITY FOR THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2018 AND FOR THE SIX-MONTH PERIOD THEN ENDED PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES

We, the undersigned:

1. Name : Suprajarto
 Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
 Residential Address : Jl. Sumenep No. 11 Menteng, Jakarta Pusat
 Telephone : 021 -575 1705
 Title : President Director
2. Name : Haru Koesmahargyo
 Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
 Residential Address : Jl. MPR III / 09 Cilandak, Jakarta Selatan
 Telephone : 021 - 575 1751
 Title : Director

Declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries;
2. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries has been disclosed in a complete and truthful manner;
 b. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries consolidated financial statements do not contain any incorrect material information or facts, nor do they omit material information or facts;
4. We are responsible for PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries internal control system.

This statement has been made truthfully.

Jakarta, July 31, 2018

For and on behalf of the Board of Directors

Suprajarto
 President Director

Haru Koesmahargyo
 Director

These interim consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2018
AND FOR THE SIX-MONTH PERIOD THEN ENDED (Unaudited)
WITH REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	June 30 2018	December 31 2017 *)
ASSETS			
Cash	2a,2c,3	28,954,347	24,797,782
Current Accounts With Bank Indonesia	2a,2c,2f,4	63,690,952	58,155,479
Current Accounts With Other Banks	2a,2c,2d,2f, 2f,5,44	9,092,048	5,925,684
Placements With Bank Indonesia and Other Banks	2a,2c,2d,2g, 2g,6,44	37,887,183	55,105,687
Securities	2a,2c,2d,2e, 2h,7,44	169,313,698	186,919,436
Allowance for impairment losses		(758)	(758)
		<u>169,312,940</u>	<u>186,918,678</u>
Export Bills and Notes Receivable	2c,2d,2i, 8.44	16,935,885	10,654,353
Government Recapitalization Bonds	2c,2d,2h, 9.44	3,093,334	3,317,840
Securities Purchased Under Agreement to Resell	2c,2u, 10	353,486	18,011,026
Derivatives Receivable	2c,2e,2ak,11	490,499	145,928
Loans	2c,2d,2e, 2j,12,44	772,115,305	718,982,668
Allowance for impairment losses		(34,277,384)	(29,423,380)
		<u>737,837,921</u>	<u>689,559,288</u>
Sharia Receivables and Financing	2c,2d,2e, 2k,13,44	19,394,966	17,864,869
Allowance for impairment losses		(492,186)	(577,257)
		<u>18,902,780</u>	<u>17,287,612</u>
Finance Lease Receivable	2c,2e,2l, 14	2,785,346	2,488,983
Allowance for impairment losses		(107,500)	(103,500)
		<u>2,677,846</u>	<u>2,385,483</u>
Acceptances Receivable	2c,2d,2e, 2m,15,44	4,891,705	5,693,425
Investment in Associated Entities	2c,2d,2e, 2n,16,44	78,040	73,821

*) After Reclassification (Note 50)

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

These interim consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	June 30 2018	December 31 2017 *)
ASSETS (continued)			
Premises and Equipments	2d,2o,2p,17,		
Cost	44	35,703,048	33,972,363
Accumulated depreciation		(9,972,484)	(9,226,057)
Net book value		<u>25,730,564</u>	<u>24,746,306</u>
Deferred Tax Assets - net	2a/,38c	5,082,720	3,270,231
Other Assets - net	2c,2p, 2q,2r,18	28,216,036	20,199,819
TOTAL ASSETS		<u>1,153,228,286</u>	<u>1,126,248,442</u>

*) After Reclassification (Note 50)

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	June 30 2018	December 31 2017
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	2c,2s,19	9,002,215	6,584,201
Deposits from Customers	2c,2d,2t,44		
Demand Deposits	20	138,715,429	145,529,168
<i>Wadiah</i> Demand Deposits		1,277,065	1,766,901
<i>Mudharabah</i> Demand Deposits		237,813	139,535
Saving Deposits	21	337,316,759	343,420,737
<i>Wadiah</i> Saving Deposits		5,078,329	4,749,652
<i>Mudharabah</i> Saving Deposits		1,379,999	1,270,484
Time Deposits	22	335,159,985	326,417,937
<i>Mudharabah</i> Time Deposits		18,828,583	18,362,036
Total Deposits from Customers		<u>837,993,962</u>	<u>841,656,450</u>
Deposits from Other Banks and Financial Institutions	2c,2d,2t, 23.44	8,206,566	5,593,367
Securities Sold Under Agreement to Repurchase	2c,2d,2u,7 24.44	37,726,464	12,136,684
Derivatives Payable	2c,2ak,11	631,734	200,858
Acceptances Payable	2c,2d,2m, 15.44	4,891,705	5,693,425
Taxes Payable	2al,38a	839,900	564,798
Marketable Securities Issued	2c,2v,25	25,151,691	30,619,658
Fund Borrowings	2c,2w, 26	34,878,883	29,403,009
Estimated Losses on Commitments and Contingencies	2d,2e,2ao, 27.44	1,109	2,134
Liabilities for Employee Benefits	2d,2af,28, 42.44	10,528,236	12,174,258
Other Liabilities	2c,2z,2ae, 29,45b	15,220,353	13,285,656
Subordinated Loans and Marketable Securities	2c,2x,30	1,475,823	986,450
TOTAL LIABILITAS		<u>986,548,641</u>	<u>958,900,948</u>

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

per share as of June 30, 2018 and December 31, 2017 and Rp250 (full Rupiah) per share as of December 31, 2017 Authorized capital – 300,000,000,000 shares (consisting of 1 shares Series A Dwiwarna and 299,999,999,999 shares Series B) as of June 30, 2018 and December 31, 2017 Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 shares Series A Dwiwarna and 123.345.809.999 shares Series B) as of Juni 30, 2018 and Desember 31, 2017			
	1,31a	6,167,291	6,167,291
Additional paid-in capital	31b	2,773,858	2,773,858
Revaluation surplus arising from premises and equipments - net	2o,17	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	2aj,31c	51,294	54,199
Unrealized gain on available for sale securities and Government Recapitalization Bonds - net	2h	(2,267,379)	1,813,625
Gain on remeasurement of defined benefit plans - net	2af	737,349	706,403
Treasury Stock	1d	(2,418,948)	(2,418,948)
Compensation Provision of Bonus Shares	31f	212,667	-
Retained earnings	31d,31e		
Appropriated		3,022,685	3,022,685
Unappropriated		142,642,617	140,805,012
Total Retained Earnings		145,665,302	143,827,697
 Total Equity Attributable to Equity Holders of the Parent Entity		164,746,126	166,748,817
Non-controlling interest	2b	1,933,519	598,677
TOTAL EQUITY		166,679,645	167,347,494
 TOTAL LIABILITIES AND EQUITY		1,153,228,286	1,126,248,442

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the Three-Month Period Ended March 31, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

		For the six-month period ended June 30	
	Notes	2018	2017
INCOME AND EXPENSES FROM OPERATIONS			
Interest and Sharia Income			
Interest Income	2k,2aa,	52,155,848	48,857,547
Shariah Income	2ac,32	1,487,952	1,370,683
Total Interest and Sharia Income		53,643,800	50,228,230
Interest and Sharia Expense			
Interest expense	2aa,2ac,	(14,731,067)	(13,710,627)
Sharia expense	33	(668,235)	(598,381)
Total Interest and Sharia Expense		(15,399,302)	(14,309,008)
Interest and Sharia Income - net		38,244,498	35,919,222
Premium Income	2ad	2,038,478	1,277,904
Claim Expense	2ad	(1,621,324)	(1,158,215)
Premium Income (expense) - net		417,154	119,689
Interest, Shariah dan Premium income - net		38,661,652	36,038,911
Other Operating Income			
Other fees and commissions	2ab	5,587,032	4,988,845
Recovery of assets written-off		2,578,905	1,882,916
Gain on foreign exchange - net	2ai,2aj	709,876	-
Unrealized gain on changes in fair value securities - net	2h,7,9	-	40,450
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	581,448	409,092
Others		738,974	2,043,347
Total Other Operating Income		10,196,235	9,364,650
Provision for impairment losses on financial assets - net	2e,34	(10,373,778)	(10,754,518)
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - ne	2ao,27b	1,024	(1,001)
Provision for allowance on impairment losses of non-financial assets - net	2p	(258,838)	(113,260)
Other Operating Expenses			
Salaries and employee benefit	2d,2af,35,42,44	(10,850,466)	(10,443,553)
General and administrative	2o,36	(6,318,150)	(5,756,707)
Unrealized loss on changes in fair value of securities and Government Recapitalization Bonds - net	2h,7,9	(68,155)	-
Foreign currency transaction losses - net	2ai,2aj	-	(41,709)
Others		(2,522,925)	(2,099,483)
Total Other Operating Expenses		(19,759,696)	(18,361,010)

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (continued)
For the Six-Month Period Ended June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	For the six-month period ended June 30	
		2018	2017
OPERATING INCOME		18,466,599	16,173,772
NON OPERATING INCOME-NET	37	16,971	84,169
INCOME BEFORE TAX EXPENSE		18,483,570	16,257,941
TAX EXPENSE	2a/, 38b, 38c	(3,549,434)	(2,809,449)
INCOME FOR THE PERIOD		14,934,136	13,448,492
Other comprehensive income:			
Items not to be reclassified to profit or loss			
Remeasurement of liabilities for employee benefits		41,261	(165,588)
Income tax related to items not to be reclassified to profit or loss		(10,315)	41,397
Items to be reclassified to profit or loss			
Exchange rate differences on translation of foreign currency financial statements	2aj	(2,905)	(53,501)
Unrealized (loss) gain on available for sale securities and Government Recapitalization Bonds	2h	(5,402,377)	1,413,680
Income tax related to items to be reclassified to profit or loss		1,287,449	(327,568)
Other Comprehensive (Loss) Income For the Period/Year - After Tax		(4,086,887)	908,420
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,847,249	14,356,912
INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		14,886,046	13,422,688
Non-controlling interest		48,090	25,804
TOTAL		14,934,136	13,448,492
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		10,833,082	14,318,417
Non-controlling interest		14,166	38,495
TOTAL		10,847,249	14,356,912
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full amount)			
	2ah, 49	121.78	109.81

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month Period Ended June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available for Sale Securities and Government Recapitalization Bonds - Net of	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non- controlling Interest	Total Equity
								Appropriated	Unappropriated			
Balance as of December 31, 2016	6,167,291	2,773,858	23,490	75,618	665,870	(2,418,948)	13,824,692	3,022,685	122,286,786	146,421,342	391,248	146,812,590
Income for the year	-	-	-	-	-	-	-	-	13,422,688	13,422,688	25,804	13,448,492
Other comprehensive income	2h,2aj	-	(53,501)	1,072,675	(123,445)	-	-	-	-	895,729	12,691	908,420
Total comprehensive Income for the year	-	-	(53,501)	1,072,675	(123,445)	-	-	-	13,422,688	14,318,417	38,495	14,356,912
Distribution of income Dividends	31d	-	-	-	-	-	-	-	(10,478,309)	(10,478,309)	(5,195)	(10,483,504)
Balance as of Juni 30, 2017	6,167,291	2,773,858	(30,011)	1,148,293	542,425	(2,418,948)	13,824,692	3,022,685	125,231,165	150,261,450	424,548	150,685,998

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the six-month Period Ended June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available for Sale Securities and Government Bonds - Net of Deferred Tax Tanggihan	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Compensation Provision of Bonus Shares	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
									Appropriated	Unappropriated			
Balance as of December 31, 2017	6,167,291	2,773,858	54,199	1,813,625	706,403	(2,418,948)	-	13,824,692	3,022,685	140,805,012	166,748,817	598,677	167,347,494
Income for the period	-	-	-	-	-	-	-	-	-	14,886,046	14,886,046	48,090	14,934,136
Other comprehensive income	2h,2aj	-	-	(2,905)	(4,081,004)	30,946	-	-	-	-	(4,052,963)	(33,924)	(4,086,887)
Total comprehensive income for the period	-	-	(2,905)	(4,081,004)	30,946	-	-	-	-	14,886,046	10,833,083	14,166	10,847,249
Additional Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	1,311,675	1,311,675
Distribution of income Dividends	31d	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)	-	(13,048,441)
Bonus shares	-	-	-	-	-	-	212,667	-	-	-	212,667	-	212,667
Changes in non-controlling interest from acquisition	-	-	-	-	-	-	-	-	-	-	-	9,001	9,001
Balance as of June 30, 2018	<u>6,167,291</u>	<u>2,773,858</u>	<u>51,294</u>	<u>(2,267,379)</u>	<u>737,349</u>	<u>(2,418,948)</u>	<u>212,667</u>	<u>13,824,692</u>	<u>3,022,685</u>	<u>142,642,617</u>	<u>164,746,126</u>	<u>1,933,519</u>	<u>166,679,645</u>

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three-Month Period Ended June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

Notes	For the six-month period ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income received		
Interest and investment income	49,042,687	46,986,498
Sharia income	1,487,952	1,370,683
Premium income	2,038,478	1,277,904
Expenses paid		
Interest expenses	(14,793,385)	(13,580,558)
Sharia expenses	(668,235)	(598,381)
Claim expenses	(1,621,324)	(1,158,215)
Recoveries of assets written off	2,578,905	1,882,916
Other operating income	8,898,514	7,003,574
Other operating expenses	(19,920,149)	(18,435,155)
Non-operating income - net	16,971	84,169
Payment of income tax and tax bill	(3,813,715)	(6,056,512)
Cash flows before changes in operating assets and liabilities	23,246,699	18,776,923
Changes in operating assets and liabilities:		
Decrease (increase) in operating assets:		
Placements with Bank Indonesia and other banks	(6,880,621)	(266,550)
Securities and Government Recapitalization Bonds at fair value through profit or loss	(1,755,080)	(1,887,651)
Export bills and notes receivable	(6,281,532)	3,778,000
Securities purchased under agreement to resell	17,657,540	(2,208,529)
Loans	(58,759,966)	(28,282,875)
Sharia receivables and financing	(1,684,506)	(71,480)
Finance lease receivable	(299,496)	85,122
Other assets	(4,799,579)	(2,677,148)
Increase (decrease) in operating liabilities:		
Liabilities due immediately	2,418,014	3,049,598
Deposits:		
Demand deposits	(6,813,739)	(12,190,090)
Wadiah demand deposits	(489,836)	277,113
Saving deposits	(6,103,978)	(3,332,016)
Wadiah saving deposits	328,677	145,156
Mudharabah saving deposits	109,515	59,065
Time deposits	8,742,048	27,077,446
Mudharabah time deposits	466,547	1,481,075
Deposits from other banks and financial institutions	2,613,199	3,302,117
Securities sold under Agreement to repurchase	25,589,780	4,244,650
Other liabilities	1,492,318	1,017,261
Net Cash (Used in) Provided by Operating Activities	(11,105,718)	12,377,187

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three-Month Period Ended June 30, 2018 (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

		For the six-month period ended June 30,	
	Notes	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of dividends	16	11,721	21
Increase in investments in associated entities		(4,219)	-
Acquisition of premises and equipments	17	(1,803,094)	(1,041,164)
Decrease (increase) in available for sale and held to maturity securities and Government Recapitalization Bonds		(7,115,527)	2,131,374
Net Cash Provided by (Used in) Investing Activities		(8,911,119)	1,090,231
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments of) fund borrowing		5,456,877	(9,097,978)
Dividends paid		(13,048,441)	(10,478,309)
Proceeds from (payments of) subordinated loans		489,373	-
Proceeds from marketable securities issued		2,440,408	5,099,499
Payments of marketable securities due		(8,014,750)	(2,020,000)
Net Cash (Used in) Provided by Investing Activities		(12,676,533)	(16,496,788)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(32,693,370)	(3,029,370)
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		139,058	37,674
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		186,410,433	188,954,879
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR		153,856,121	185,963,183
Cash and cash equivalents at end of period/year consist of	2a		
Cash	3	28,954,347	38,203,969
Current accounts with Bank Indonesia	4	63,690,952	57,458,971
Current accounts with other banks	5	9,092,048	10,628,170
Placements with Bank Indonesia and other banks - maturing within six months or less since the acquisition date	6	30,667,375	50,841,475
Certificates of Bank Indonesia and Deposit Certificates of Bank Indonesia - maturing within six months or less since the acquisition date	7	21,451,399	28,830,598
Total Cash and Cash Equivalents		153,856,121	185,963,183

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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1. GENERAL

a. Establishment

PT Bank Rakyat Indonesia (Persero) Tbk (hereinafter referred to as "BRI") was established on and started its commercial operations on December 18, 1968 based on Law No. 21 Year 1968. On April 29, 1992, based on Government of the Republic of Indonesia (the "Government") Regulation No. 21 Year 1992, the legal status of BRI was changed to a limited liability corporation (Persero). The change into a limited liability corporation was documented by notarial deed No. 133 dated July 31, 1992 of Notary Muhani Salim, S.H., approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-6584.HT.01.01.TH.92 dated August 12, 1992 and published in Supplement No. 3A of the Republic of Indonesia State Gazette No. 73 dated September 11, 1992. BRI's Articles of Association was then amended by notarial deed No. 7 dated September 4, 1998 of Notary Imas Fatimah, S.H., pertaining to Article 2 on "Term of Corporate Establishment" and Article 3 on "Purpose, Objectives and Business Activities" to comply with the provisions of Law of the Republic of Indonesia No. 1 Year 1995 on "Limited Liability Company", approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-24930.HT.01.04.TH.98 dated November 13, 1998 and published in Supplement No. 7216 of the Republic of Indonesia State Gazette No. 86 dated October 26, 1999 and notarial deed No. 7 dated October 3, 2003 of Notary Imas Fatimah, S.H., among others, regarding the Company's status and compliance with the Capital Market Laws, approved by the Minister of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-23726 HT.01.04.TH.2003 dated October 6, 2003 and published in Supplement No. 11053 of the Republic of Indonesia State Gazette No. 88 dated November 4, 2003.

Based on Bank Indonesia's Decision Letter No. 5/117/DPwB2/PWPwB24 dated October 15, 2003, regarding "SK appointment of BRI as a foreign exchange commercial bank", BRI has been designated as a foreign exchange bank through Letter of Monetary Board No. SEKR/BRI/328 dated September 25, 1956.

Based on Notarial Deed No. 51 dated May 26, 2008 of Notary Fathiah Helmi, S.H., BRI amended its Articles of Association, among others, to comply with the provisions of Law of the Republic of Indonesia No. 40 Year 2007 on "Limited Liability Company" and Capital Market and Financial Institution Supervisory Agency's ("Bapepam-LK") Regulation, whose function has been transferred to the Financial Services Authority ("OJK") since January 1, 2013, No. IX.J.I concerning "Main Substances of Articles of Association of Company performing a Public Offering of Shares and Public Company", which was approved by the Minister of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-48353.AH.01.02.Year 2008, dated August 6, 2008 and was published in Supplement No. 23079 of the Republic of Indonesia State Gazette No. 68 dated August 25, 2009.

Subsequently, BRI's Articles of Association has been amended several times. The latest amendment was documented in Deed No. 50 dated March 22, 2018, of Notary Fathiah Helmi, S.H., regarding the amendments to certain provisions of Article 12 paragraph 7 and 8 of BRI's Articles of Association, in accordance with the proposal from the Minister of State-Owned Enterprises (SOEs) of the Republic of Indonesia. This latest amendment is under approval and reporting process to the Minister of Law and Human Rights of the Republic of Indonesia.

According to Article 3 of the Articles of Association of BRI, BRI's scope of business is to conduct business in the banking sector, in accordance with the prevailing law and regulations, by implementing the principles of Limited Liability Company to enhance the value of the Company.

BRI is owned by the Indonesian Government as the majority shareholder.

b. Recapitalization Program

As a realization of the Recapitalization Program for Commercial Banks, set forth in Government Regulation No. 52 Year 1999, regarding the Addition of Capital Investment by the Republic of Indonesia in State-Owned Banks, BRI has received all the recapitalization amount with a nominal amount of

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1. GENERAL (continued)

b. Recapitalization Program (continued)

Rp29,149,000 in the form of Government Recapitalization Bonds issued in 2 (two) phases, that is at the nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000 (Note 9).

Furthermore, as stated in the Management Contract dated February 28, 2001 between the Republic of Indonesia represented by the Government through the Minister of Finance and BRI, the Government determined that in order to achieve a Minimum Capital Adequacy Liability of 4%, BRI's requirement for recapitalization is Rp29,063,531. Therefore, BRI has returned the excess amount of recapitalization with a nominal amount to Rp85,469 in the form of Government Recapitalization Bonds to the Republic of Indonesia on November 5, 2001.

On September 30, 2003, the Minister of Finance issued Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and implementation of Government's rights, which arose as a result of the addition in capital investment by the Republic of Indonesia in BRI during the Recapitalization Program for Commercial Banks. Based on the Decision Letter, the Minister of Finance determines the final amount of BRI's recapitalization requirement is Rp29,063,531.

c. Initial Public Offering of Shares and Stock Split

In relation to BRI's Initial Public Offering (IPO) of shares, based on the registration statement dated October 31, 2003, the Government, through the Minister of State-Owned Enterprises agreed to conduct an IPO of 3,811,765,000 Series B common shares of BRI, consisting of 2,047,060,000 Series B common shares owned by the Republic of Indonesia (divestment) and 1,764,705,000 new Series B common shares, alongside with the over-subscription option and over-allotment option.

The IPO consists of the international public offering (under Rule 144A of the Securities Act and "S" Regulation) and the Indonesian public offering. BRI submitted its registration to Bapepam-LK and this registration statement has become effective based on the Chairman of Bapepam-LK Letter No. S-2646/PM/2003 dated October 31, 2003.

BRI's IPO of shares consists of 3,811,765,000 shares with a nominal value of Rp500 (full amount) per share and a selling price of Rp875 (full amount) per share. Subsequently, the over-subscription option of 381,176,000 shares and over-allotment option of 571,764,000 shares, were exercised at a price of Rp875 (full amount) per share on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the underwriters' exercise of the over-subscription option and over-allotment option, the Republic of Indonesia owns 59.50% of BRI shares. On November 10, 2003, the offered shares started to be traded at the Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange) and at the same time, all BRI shares were also listed (Note 31b).

Based on Notarial Deed No. 38 dated November 24, 2010 of Notary Fathiah Helmi, S.H., stock split was performed from nominal value of Rp500 (full amount) per share to Rp250 (full amount) per share. The Republic of Indonesia's Ministry of Laws and Human Rights stated that the deed has been received and recorded in its Legal Entity Administration System database based on its letter No. AHU.AH.01.10-33481 dated December 29, 2010. The stock split was performed in 2011 and BRI scheduled the last day on which shares with a nominal value of Rp 500 (full amount) would be traded in Regular Market and Negotiated Market was January 10, 2011 and the date of commencement of legitimate trade for shares with new nominal value of Rp250 (full amount) was January 11, 2011.

Based on Notarial Deed No. 54 dated October 27, 2017 of Notary Fathiah Helmi, S.H., stock split was performed from nominal value of Rp250 (full amount) per share to Rp50 (full amount) per share. The Republic of Indonesia's Ministry of Laws and Human Rights stated that the deed has been received and recorded in its Legal Entity Administration System database based on its letter No. AHU.AH.01.03-0187521 dated November 3, 2017.

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1. GENERAL (continued)

c. Initial Public Offering of Shares and Stock Split (continued)

The stock split was performed in 2017 and BRI scheduled the last day on which shares with a nominal value of Rp 250 (full amount) would be traded in Regular Market and Negotiated Market was November 9, 2017 and the date of commencement of legitimate trade for shares with new nominal value of Rp50 (full amount) was November 10, 2017.

d. Treasury Stock

BRI through its letter No. R.224-DIR/DIS/09/2015 dated September 25, 2015 submitted a request for OJK's approval on BRI's shares buyback for as many as Rp5,000,000, and it has been approved by OJK through its letter No. S-101/PB.31/2015 dated October 6, 2015. Furthermore, BRI conveyed its information disclosure to the Indonesia Stock Exchange in regards to the buyback plan for shares that had been issued and listed in the Indonesia Stock Exchange for as many as Rp2,500,000 through its letter No. B.696-DIR/SKP/10/2015 dated October 9, 2015. The buyback is carried out within a period of 3 months between October 12, 2015 until January 12, 2016. As of December 31, 2015 and January 12, 2016, BRI has repurchased 210,118,600 shares and 221,718,000 shares (nominal value of Rp250 (full amount) per share) with acquisition cost of Rp2,286,375 and Rp2,418,948, respectively (Note 31a).

e. Structure and Management

BRI's head office is located at BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of June 30, 2018 andn December 31, 2017, BRI has the following networks of work unit (unaudited):

	June 30 2018	December 31 2017
Regional Offices	19	19
Head Inspection Office	1	1
Regional Inspection Offices	19	19
Domestic Branch Offices	462	462
Special Branch Office	1	1
Overseas Branch/Representative Offices	5	5
Sub-branch Offices	610	610
Cash Offices	989	992
BRI Unit	5,382	5,382
Teras dan Teras Mobile	2,520	3,171
Floating Teras	3	3

As of June 30, 2018 and December 31, 2017 BRI has 3 (three) overseas branch offices located in the Cayman Islands, Singapore and Timor Leste, 2 (two) overseas representative offices located in New York and Hong Kong, and 5 (five) subsidiaries, which are PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd. Hong Kong, PT Asuransi BRI Life and PT BRI Multifinance Indonesia.

Based on the accounting policies of BRI, the coverage of BRI's key management are members of boards of commissioners, directors, senior executive vice president, audit committee, remuneration committee, head of divisions, head of internal audit work unit and inspectors, head of regional officers, head of special branch and head of branches. The number of BRI's employees as of June 30, 2018 and December 31, 2017 are 60,684 dan 60,683 respectively.

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1. GENERAL (continued)

e. Structure and Management (continued)

The composition of the Board of Commissioners of BRI as of June 30, 2018 was appointed based on BRI's Annual General Meeting of Shareholders held on March 22, 2018 as stated under the Notarial Deed No. 50 of Notary Fathiah Helmi, S. H. dated March 22, 2018, as of December 31, 2017 was appointed based on BRI's Annual and Extraordinary General Meeting of Shareholders held on October 27, 2017 as stated under the Notarial Deed No. 55 of Notary Fathiah Helmi, S. H., The compositions are as follows:

	<u>June 30, 2017</u>	<u>December 31, 2017</u>
President/Independent Commissioner :	Andrinof A. Chaniago	Andrinof A. Chaniago
Vice President Commissioner :	Gatot Trihargo	Gatot Trihargo
Independent Commissioner :	Mahmud	Mahmud
Independent Commissioner :	A. Fuad Rahmany	A. Fuad Rahmany
Independent Commissioner :	A. Sonny Keraf	A. Sonny Keraf
Independent Commissioner :	Rofikoh Rokhim	Rofikoh Rokhim
Commissioner :	Jeffry J.Wurangian	Jeffry J.Wurangian
Commissioner :	Nicolaus Teguh Budi	Nicolaus Teguh Budi
	Harjanto	Harjanto
Commissioner :	Hadiyanto*)	Vincentius Sonny Loho

*) Effective after Financial Services Authority's approval on the Fit & Proper Test and in accordance with the prevailing regulations.

The composition of the Board of Directors of BRI as of March 31, 2018 was appointed based on BRI's Annual General Meeting of Shareholders held on March 22, 2018 as stated under the Notarial Deed No. 50 of Notary Fathiah Helmi, S. H. dated March 22, 2018, as of December 31, 2017 was appointed based on BRI's Annual and Extraordinary General Meeting of Shareholders held on October 27, 2017, as stated under the Notarial Deed No. 55 of Notary Fathiah Helmi, S. H., The compositions are as follows:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
President Director :	Suprajarto	Suprajarto
Director :	Haru Koesmahargyo	Haru Koesmahargyo
Director :	Kuswiyoto	Susy Liestiwaty
Director :	Mohammad Irfan	Kuswiyoto
Director :	Sis Apik Wijayanto	Donsuwan Simatupang
Director :	Priyastomo	Mohammad Irfan
Director :	Indra Utoyo	Sis Apik Wijayanto
Director :	R. Sophia Alizsa	Priyastomo
Director :	Handayani	Indra Utoyo
Director :	Supari*)	R. Sophia Alizsa
Director :	Osbal Saragi Rumahorbo*)	Handayani
Director :	Ahmad Solichin Lutfiyanto*)	-

*) Effective after Financial Services Authority's approval on the Fit & Proper Test in accordance with the prevailing regulations

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1. GENERAL (continued)

e. Structure and Management (continued)

The composition of BRI's Audit Committee as of June 30, 2018 and December 31, 2017 was appointed based on Directors' Decision Letter No. Kep. 1101-DIR/KHC/12/2017 dated December 20, 2017 and Commissioners' Decision Letter No. R.58-KOM/11/2017 dated November 15, 2017. The compositions are as follows:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Chairman	A. Fuad Rahmany	A. Fuad Rahmany
Member	A. Sonny Keraf	A. Sonny Keraf
Member	Rofikoh Rokhim	Rofikoh Rokhim
Member	Pamuji Gesang Raharjo	Pamuji Gesang Raharjo
Member	I Gde Yadnya Kusuma	I Gde Yadnya Kusuma
Member	Sunuaji Noor Widiyanto	Sunuaji Noor Widiyanto

As of June 30, 2018, the Corporate Secretary of BRI was Bambang Tribaroto, as appointed based on Letter No. R.13-DIR/KHC/01/2018 dated January 5, 2018, effective since January 22, 2018. As of December 31, 2017 the Corporate Secretary of BRI was Hari Siaga Amijarso, as appointed based on Directors' Decision Letter No. Kep. 887-DIR/KPS/12/2015 dated December 21, 2015.

As of March 31, 2018 and December 31, 2017, the Head of Internal Audit Work Unit was Tri Wintarto, as appointed based on Directors' Decision Letter No. Kep. 427-DIR/KPS/05/2017 dated May 24, 2017.

f. Subsidiaries

PT Bank BRI Syariah Tbk

On June 29, 2007, BRI signed the Sale and Purchase of Shares Agreement with the shareholders of PT Bank Jasa Arta ("BJA") to acquire 100% of BJA's shares at a purchase price of Rp61 billion. Based on BRI's Extraordinary General Meeting of Shareholders, as stated in the Notarial Deed No. 3 dated September 5, 2007 of Notary Imas Fatimah, S.H., the shareholders has approved the acquisition of BJA and BRI has obtained the approval of Bank Indonesia in its Letter No. 9/188/GBI/DPIP/Rahasia dated December 18, 2007 and No. 9/1326/DPIP/Prz dated December 28, 2007. The acquisition was completed on December 19, 2007 based on Acquisition Deed No. 61 of Notary Imas Fatimah, S.H., in which BRI acquired 99.99875% of the total shares issued by BJA and 0.00125% of the total shares was granted to BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI).

Based on Notarial Deed No. 45 dated April 22, 2008 of Notary Fathiah Helmi, S.H., the name of BJA was changed into PT Bank Syariah BRI ("BSB"). Based on the Governor of Bank Indonesia's Decision Letter No. 10/67/KEP.GBI/DpG/2008 dated October 16, 2008, BSB obtained the approval to change its business activities from a conventional commercial bank into a commercial bank that conducts business activities based on sharia principles. Within 60 (sixty) days from the decision letter date, BSB was obliged to conduct its business activities based on sharia principles and within a maximum of 360 (three hundred sixty) days from the decision letter date, BSB was obliged to settle all its loans and liabilities to debtors or customers from the previous conventional banking activities.

On December 19, 2008, through "the Spin-off Deed of BRI's Sharia Business Unit into PT Bank Syariah BRI" No. 27 dated December 19, 2008 of Notary Fathiah Helmi, S.H. BRI agreed to spin-off BRI's Sharia Business Unit ("UUS BRI") into BSB effectively on January 1, 2009. The spin-off, as of the effective date, resulted in the following:

1. All assets and liabilities of UUS BRI owned by BRI, were legally transferred to become the-rights or property of, liabilities of or expenditures to be fulfilled by BSB, as the receiving entity.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRISyariah Tbk (continued)

2. All UUS BRI's operations, business and activities were legally transferred to and thus were operated by BSB on the benefit of, loss of and under the responsibility of BSB.
3. All UUS BRI's rights, claims, authorities and liabilities arising from any agreements, actions or events present, made, performed, or occurred on or before the effective spin-off date including but not limited to the stated list of assets and liabilities of UUS BRI and all legal relations between UUS BRI and other parties were legally transferred to and thus were operated for the benefit of, loss of and under the responsibility of BSB.

Based on the Deed of Declaration on all BSB Shareholders Approval Decision No. 18 of Notary Fathiah Helmi, S.H., dated April 14, 2009, the name of PT Bank Syariah BRI was changed into PT Bank BRISyariah ("BRIS"), and was approved by Bank Indonesia in Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

Based on the Deed of Declaration on the Extraordinary General Meeting of PT Bank BRISyariah's Shareholders No. 8 dated January 8, 2018, of Notary Fathiah Helmi, S.H., a Notary in Jakarta, the Articles of Association of BRIS has been amended regarding the increase in the authorized capital of the Company to Rp7.5 trillion, consisting of 15 billion shares with a nominal value of Rp500 (full amount) per share. The amendment has been accepted and recorded in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of the Republic of Indonesia's Letter No. AHU-AH.01.03-0009250, dated January 10, 2018. The Deed also includes shareholders' approval on several other matters, which is:

1. BRIS's plan to raise funds from the public through Initial Public Offering (IPO).
2. Amendment to the Company's Articles of Association, which includes amendments in order to become a Public Company, and adjustment of all provisions in the Company's Articles of Association with laws and regulations in the Capital Market including Bapepam-LK Regulation No. IX.J.1, Regulation of the Financial Services Authority (POJK) No. 32/POJK.04/2014 and POJK No. 33/POJK.04/2014; and
3. The issuance of new shares in the course of the management and employees stock options program, with a maximum of 3% (three percent) of the issued and paid up capital after the IPO is completed.

BRIS's Articles of Association has been amended several times. The latest amendment was documented in the Deed of Declaration on the Annual General Meeting of PT Bank BRISyariah's Shareholders No.92 dated Mei 31, 2018 regarding the amendment in paid up capital and placed the results of the Bank's initial public offering from 7,092,762,898 shares or Rp3,546,381,449,000 to 9,716,113,498 shares or Rp.4,858,056,749,000. This amendment has been accepted and recorded in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of Republic of Indonesia's Letter No. AHU-0075756.AH.01.11 dated Mei 31, 2018.

According to Article 3 of BRIS's latest Articles of Association, the scope of BRIS's business is to conduct banking activities based on the sharia principles..

The total assets of BRIS as of June 30, 2018 and December 31, 2017 amounted to Rp36,140,568 and Rp31,543,384 or 3.15% and 2.80% respectively, of the consolidated total assets. The total fund management income for the six-month period ended June 30, 2018 and 2017 amounted to Rp1,485,956 and Rp1,369,445 or 2.67% and 2.64% respectively, of the consolidated income from interest, sharia and premium.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRIsyariah Tbk (continued)

BRIsyariah Tbk has 2,991 dan 3,048 employees as of June 30, 2018 and December 31, 2017 respectively.

BRIS's head office is located in Jl. Abdul Muis No. 2-4, Central Jakarta and it has 54 branch offices and 207 sub-branch offices.

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

On August 19, 2010, BRI signed the Sale and Purchase of Shares Agreement (PPJB) with Agricultural Estate Pension Fund (Dapenbun), who holds 95.96% of PT Bank Agroniaga Tbk ("Bank Agro") shares, to acquire Bank Agro's shares at a total nominal value of Rp330,296 for 3,030,239,023 shares, with a price of Rp109 (full amount) per share. After the acquisition, the composition of shareholders would be as follows: 76% by BRI, 14% by Dapenbun and 10% by the public.

According to BRI's Extraordinary General Meeting of Shareholders, in accordance with the Notarial Deed No. 37 dated November 24, 2010 of Notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of Bank Agro. Furthermore, Bank Indonesia, in its Letter No. 13/19/GBI/DPIP/Rahasia dated February 16, 2011, also granted its approval for the acquisition of Bank Agro. The acquisition was completed on March 3, 2011 based on the Notarial Deed No. 14 of Notary Fathiah Helmi, S.H., where BRI owned 88.65% of Bank Agro's total issued and fully paid shares, as stated in the Notarial Deed No. 68 dated December 29, 2009, of Notary Rusnaldy, S.H. The above mentioned matter has also considered the effects of Warrants Series I which are exercisable up to May 25, 2011.

In compliance with Bapepam-LK's Regulation No. IX.H.1, Appendix to the Decision Letter of Chairman of Bapepam-LK No. Kep-259/BL/2008 dated June 30, 2008 regarding the "Takeover of Public Company", BRI, as the new controlling shareholder of Bank Agro, obliged to execute Tender Offer on the remaining Bank Agro's shares which are owned by the public. The Tender Offer statement has become effective on May 4, 2011 based on the Chairman of Bapepam-LK's Letter No. S-4985/BL/2011 and was announced on May 5, 2011, in two daily newspapers, Bisnis Indonesia and Investor Daily. The Tender Offer period commenced on May 5, 2011 and concluded on May 24, 2011. At the end of the Tender Offer period, BRI purchased 113,326,500 shares (3.15% of the total shares of Bank Agro). The tender offer price is Rp182 (full amount) per share.

On July 1, 2011, 256,375,502 shares has been sold to Dapenbun as Dapenbun exercised its option to buy at a price of Rp109 (full amount) per share. Based on Bapepam-LK's Regulation No. IX.H.1, the payback period of Tender Offer is 2 (two) years, however, specifically for Bank Agro, BRI had the obligation to meet minimum public shareholding of 10% at no later than May 24, 2013. This is to comply with the letter from the Indonesia Stock Exchange No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011. As of December 31, 2011, 500,000 of Bank Agro shares have been successfully sold back to the public, so that BRI's ownership in Bank Agro is 79.78% and Dapenbun is 14%. While there was no sale of shares during the year 2012 and 2013, 130,000 shares were sold in 2014. Thus, as of December 31, 2014, BRI was unable to meet the requirement of Indonesia Stock Exchange stated on its letter No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011, to have a minimum public shareholding of 10% by May 24, 2013 due to the inactivity of Bank Agro's share price in the capital market.

Based on the Notarial Deed of Meeting Decision Statement No. 30 dated May 16, 2012 of Notary Rusnaldy, S.H., the name PT Bank Agroniaga Tbk was changed into PT Bank Rakyat Indonesia Agroniaga Tbk ("BRI Agro"). This change has been approved by Bank Indonesia in its Governor's Decision Letter No. 14/72/KEP.GBI/2012 dated October 10, 2012.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

On May 10, 2013, BRI Agro submitted Registration Statement of Limited Public Offering IV ("PUT IV") to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 3,846,035,599 Common Shares with nominal value of Rp100 (full amount) per share. On June 26, 2013, the Board of Commissioners of OJK through its letter No. S-186/D.04/2013, approved the Registration Statement of Limited Public Offering IV, thus increasing the number of BRI Agro's issued capital stock by 3,832,685,599 shares.

As a result of PUT IV, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Meeting Decision Statement No. 107 dated July 30, 2013, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, so that BRI's ownership in BRI Agro is 80.43%, Dapenbun's is 14.02% and public's to 5.55%. This amendment was approved by the Minister of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Year 2013 dated August 1, 2013.

On May 11, 2015, BRI Agro submitted Registration Statement of Limited Public Offering V ("PUT V") to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 5,588,085,883 Common Shares with nominal value of Rp100 (full amount) per share. On June 17, 2015, the Board of Commissioners of OJK through its letter No. S-259/D.04/2015 notified BRI Agro that its Registration Statement of Limited Public Offering V has become effective, thus increasing the number of its issued capital stock by 4,028,934,521 shares.

As a result of PUT V, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement and Amendment of Articles of Association No. 68 dated July 14, 2015 of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, so that BRI's ownership in BRI Agro is 87.23%, Dapenbun's is 9.10% and public's to 3.67%. This amendment was accepted by and recorded in the Legal Entity Administration System by the Minister of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0951264 dated July 14, 2015.

On October 17, 2016, BRI Agro submitted Registration Statement of Limited Public Offering VI ("PUT VI") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 3,845,996,122 Common Shares at most with nominal value of Rp100 (full amount) per share and the issuance of Warrants Series II of 616,908,103 shares. On November 25, 2016, the Board of Commissioners of OJK through its letter No. S-695/D.04/2016 notified BRI Agro that its Registration Statement of Limited Public Offering VI has become effective, thus increasing the number of its issued capital stock by 3,845,996,122 shares. The Warrants Series II can be converted into BRI Agro shares at Rp130 (full amount) per share with the exercise period from June 9, 2017 until June 11, 2018.

As a result of PUT VI, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 58 dated December 27, 2016, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, so that BRI's ownership in BRI Agro is still 87.23%, Dapenbun's is 7.08% and public's is at 5.69%. This amendment was accepted by and recorded in the Legal Entity Administration System by the Minister of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0112637 dated December 27, 2016.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

As of June 30, 2018, total amount of warrants that have been converted into shares is 612,937,654 shares, thus increasing the Bank's share capital by Rp.61,293,765,400 (full Rupiah). For the conversion of series II warrants, BRI's share ownership on June 30, 2018 at BRI Agro is 87,185%, Dapenbun 6.305% and the public at 6.51%

On May 2, 2017, BRI Agro submitted Registration Statement of Limited Public Offering VII ("PUT VII") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 2,515,555,707 Common Shares at most with nominal value of Rp100 (full amount) per share. On June 12, 2017, the Board of Commissioners of OJK through its letter No. S-293/D.04/2017 notified BRI Agro that its Registration Statement of Limited Public Offering VII had become effective, thus increasing the number of its issued capital stock by 2,515,555,707 shares.

As a result of PUT VII, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 19 dated July 21, 2017, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, so that BRI's ownership in BRI Agro is 87.16%, Dapenbun's is 6.44% and the public's is 6.39%. This amendment was accepted by and recorded in the Legal Entity Administration System by the Minister of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0154825 dated July 21, 2017.

BRI Agro's Articles of Association had been amended several times. The latest amendment was documented in the Notarial Deed of Decision Meeting Statement No. 34 dated June 6, 2018 of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital resulting. This amendment has been accepted and recorded in the Legal Entity Administration System by the Minister of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk's Articles of Association Amendment Notice No. AHU-AH.01.03-0212944 dated June 6, 2018.

The total assets of BRI Agro as of June 30, 2018 and December 31, 2017 amounted to Rp18,772,415 and Rp16,325,247 atau 1.63% and 1.45% respectively, of the consolidated total assets. The total interest income for the six-month period ended June 30, 2018 and 2017 amounted to Rp787,684 dan Rp574,341 or 1.41% dan 1.11% respectively, of the consolidated income from interest, sharia and premium.

According to Article 3 of its Articles of Association, BRI Agro's scope of business is to conduct commercial banking activities. BRI Agro has obtained its license as a commercial bank based on Bank Indonesia Letter No. 22/1037/UU/PS/6D dated December 26, 1989.

BRI Agro has 476 and 499 employees as of June 30, 2018 and December 31, 2017 respectively.

BRI Agro's head office is located in Gedung BRI Agro, Jl. Warung Jati Barat No. 139, Jakarta, and it has 18 branch offices and 20 sub-branch offices.

BRI Remittance Co. Limited Hong Kong (BRI Remittance)

On December 16, 2011, BRI signed the Instrument of Transfer and the Bought and Sold Notes to acquire 100% shares of BRIIngin Remittance Co. Ltd. (BRC) Hong Kong (equivalent to 1,600,000 shares) at a purchase price of HKD1,911,270. This acquisition was legalized by the Hong Kong Inland Revenue Department (IRD) with stamp duty dated December 28, 2011 and approved by Bank Indonesia in its letter No. 13/32/DPB1/TPB1-3/Rahasia dated December 1, 2011.

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1. GENERAL (continued)

f. Subsidiaries (continued)

BRI Remittance Co. Limited Hong Kong (BRI Remittance) (continued)

According to the Annual General Meeting of BRIngin Remittance Co. Ltd dated July 2, 2012, and with the issuance of a Certificate of Change of Name No. 961091 dated October 11, 2012 by the Registrar of Companies Hong Kong Special Administrative Region, the name of BRIngin Remittance Co. Ltd. was officially changed to BRI Remittance Co. Limited Hong Kong.

The total assets of BRI Remittance as of June 30, 2018 and December 31, 2017 amounted to Rp10,632 or 0.0009% and Rp8,370 or 0.0007% respectively, of the consolidated total assets.

BRI Remittance's scope of business is to conduct commercial remittance activities.

BRI Remittance has 6 employees as of June 30, 2018 and December 31, 2017.

BRI Remittance's head office is located at Lippo Centre, Tower II, 89 Queensway, Admiralty, Hong Kong.

PT Asuransi BRI Life (BRI Life)

On October 6, 2015, BRI signed the Sale and Purchase of Shares Agreement with the shareholders of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BRI Life") to acquire 91.001% shares of BRI Life at a purchase price of Rp1,627 billion. Based on BRI's Extraordinary General Meeting of Shareholders in accordance with Deed No. 14 dated December 14, 2015 of Notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of BRI Life and has also received approval from OJK through its letter No. S-151/PB.31/2015 dated December 23, 2015. The acquisition was completed on December 29, 2015 based on Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera Shares Deed No. 41 of Notary Fathiah Helmi, S.H., where BRI has 91.001% of BRI Life issued shares and 8.999% of its shares was granted to the BRI's Employee Welfare Foundation.

Based on Notarial Deed No. 31 dated February 23, 2017, of Notary Dahlia, S.H., as the surrogate of Fathiah Helmi, S.H., a notary in Jakarta, the name of PT Asuransi Jiwa Bringin Jiwa Sejahtera was changed into PT Asuransi BRI Life and according to the Decision of the Board of Commissioners of OJK No. KEP-140/NB.11/2017 dated March 20, 2017, BRI Life obtained the enactment of business license in life insurance in relation to the change of the company name.

BRI Life's Articles of Association has been amended several times. The latest amendment was documented in the Notarial Deed No. 31 dated February 23, 2017, of Notary Dahlia, S.H., as the surrogate of Fathiah Helmi, S.H., Notary in Jakarta, regarding the changes on the types of shares which are Series A shares of 1 share and Series B shares of 2,199,999 shares (full amount). This amendment has been approved by the Minister of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0004875.AH.01.02 Year 2017 dated February 27, 2017.

According to Article 3 of BRI Life's latest Articles of Association, the scope of BRI Life's business is to conduct business in the insurance sector.

BRI Life started its operation on January 1, 1989 based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-181/KMK.13/1988 dated October 10, 1988.

BRI Life obtained its license to open its branches and sharia-principled units in accordance with the Minister of Finance Decision Letter No. KEP-007/KM.6/2003 dated January 21, 2003.

The total assets of BRI Life as of June 30, 2018 and December 31, 2017 amounted to Rp8,656,494 or 0.75% and Rp8,162,691 or 0.72% respectively, of consolidated total assets.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Asuransi BRI Life (BRI Life) (continued)

The total premium income for the six-month period ended June 30, 2018 and 2017 are Rp2,112,501 or 3.79% and Rp1,464,685 or 2.82% respectively, of the consolidated income from interest, sharia and premium.

BRI Life has 524 and 489 employees as of June 30, 2018 and December 31, 2017 respectively.

BRI Life's head office is located at Graha Irama Building, 15th floor, Jl. H.R Rasuna Said Blok X-1 Kav 1 and 2, Jakarta, and it has 6 regional offices with 34 sales offices.

PT BRI Multifinance Indonesia (BRI Finance)

On July 12, 2016, BRI signed the Conditional Sale and Purchase of Shares Agreement (PPJB) with The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") to increase BRI's share ownership in PT BTMU-BRI Finance ("BBF") from 45% to 99%, with a purchase price of Rp378,548. The agreement has been approved by OJK in its letter No. S-102/PB.31/2016 dated September 21, 2016. This transfer of shares was implemented effectively on September 30, 2016 as stated in Notarial Deed No. 75, of Notary Fathiah Helmi, S.H., a notary in Jakarta, where BRI owned 99% of the total shares issued by PT BRI Multifinance Indonesia (BRI Finance) and BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI), owned the remaining 1%. Upon the acquisition of BRI Finance, BRI recorded goodwill amounted to Rp51,915 under "Other Assets".

Based on the Notarial Deed of the Statement of the Decision Outside of the Annual General Meeting of Shareholders No. 67, dated September 15, 2016, of Notary I Gede Buda Gunamanta, S.H., a notary in Jakarta, the name PT BTMU-BRI Finance was changed into PT BRI Multifinance Indonesia. And in accordance with the OJK's Board of Commissioner Decision No. KEP-771/NB.11/2016 dated October 17, 2016, regarding the change of the name, BRI Finance obtained the enactment of the business license in financing industry for the business license previously granted to PT Sanwa-BRI Finance, which then changed its name to PT UFJ-BRI Finance and PT BTMU-BRI Finance.

BRI Finance's Articles of Association has been amended several times. The latest amendment was documented in the Notarial Deed of Decision Meeting Statement No. 9 dated July 6, 2017, of Notary I Gede Buda Gunamanta, S.H., a notary in Jakarta, regarding the amendment of provision in Article 21 of the Company's Articles of Association. The amendment had been accepted and recorded in the Legal Entity Administration System of Ministry of Laws and Human Rights of the Republic of Indonesia in accordance with the Acceptance Letter of PT BRI Multifinance Indonesia's Article of Association Amendment Notice No. AHU-AH.01.03-0151106 dated July 8, 2017.

According to Article 3 of its Article of Association, BRI Finance's scope of business is to conduct financing activities.

The total assets of BRI Finance as of June 30, 2018 and December 31, 2017 amounted to Rp2,913,401 or 0.25% and Rp2,607,098 or 0.23% respectively, of the consolidated total assets. The total interest income for the six-month period ended June 30, 2018 and 2017 are Rp138,304 or 0.25% and Rp101,345 or 0.20% respectively, of the consolidated income from interest, sharia and premium.

BRI Finance has 218 and 157 employees as of June 30, 2018 and December 31, 2017.

BRI Finance's head office is located at Wisma 46 Building, 10th floor, BNI City, Jl. Jenderal Sudirman Kav. 1, Central Jakarta, and it has 4 branches located in Bandung, Surabaya, Samarinda and Medan, as well as 16 marketing offices.

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2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the interim consolidated financial statements

Statement of Compliance

The interim consolidated financial statements as of and for the three-month period ended March 31, 2018, are prepared and presented in accordance with Indonesian Financial Accounting Standards, which includes the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and Bapepam-LK's Regulation No. VIII.G.7, Appendix of the Decision of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the "Guidelines on Financial Statements Presentations and Disclosures for Issuers or Public Companies".

The interim consolidated financial statements have been prepared in accordance with SFAS No. 1 (2015 Amendment), "Presentation of Financial Statements about Disclosures Initiative".

BRIS (subsidiary), which is engaged in banking activities based on sharia principles, presents its financial statements in accordance with SFAS No. 101 (Revised 2016) on "Sharia Financial Statements Presentation", SFAS No. 102 (Revised 2016) on "Accounting for *Murabahah*", SFAS No. 104 on "Accounting for *Istishna*", SFAS No. 105 on "Accounting for *Mudharabah*", SFAS No. 106 (Revised 2016) on "Accounting for *Musyarakah*" and SFAS No. 107 on "Accounting for *Ijarah*", which supersede SFAS No. 59 on "Accounting for Sharia Banking" associated with recognition, measurement, presentation and disclosure for the respective topics, SFAS No. 110 (Revised 2015) on "Accounting for Sukuk" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The interim consolidated financial statements have been prepared on a historical cost basis, except for some accounts that were assessed using another measurement basis as explained in the accounting policies of the account. The interim consolidated financial statements have been prepared on accrual basis, except for the revenue from *istishna* and the profit sharing from the *mudharabah* and *musyarakah* financing and the consolidated statement of cash flows.

The consolidated statement of cash flows has been prepared using the direct method by classifying cash flows into operating, investing and financing activities. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, Certificates of Bank Indonesia and Deposit Certificates of Bank Indonesia maturing within 3 (three) months from the date of acquisition, provided they are neither pledged as collateral for fund borrowings nor restricted.

The presentation currency used in the interim consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the interim consolidated financial statements are rounded off to millions of Rupiah.

b. Principles of Consolidation

The interim consolidated financial statements includes the financial statements of BRI and its subsidiaries whose majority of shares are owned or controlled by BRI.

When control over a subsidiary began or ceased during the period, the results of operations of a subsidiary are included in the interim consolidated financial statements only limited to the results from the date that control was acquired or up to the date that control has ceased.

Control is acquired when BRI is exposed, or has the rights of variable returns from its involvement in a subsidiary and has the ability to affect those returns through its power over the subsidiary.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

BRI controls a subsidiary if, and only if, BRI has the following:

- a) Power over a subsidiary (existing rights that provide the current ability to direct the relevant activities that significantly affect the returns of a subsidiary).
- b) Exposure, or rights of variable returns from its involvement in a subsidiary.
- c) The ability to use its power over the subsidiary to affect BRI's returns.

All significant intercompany balances and transactions, including unrealized gains or losses, are eliminated to reflect the financial position and results of operations of BRI and subsidiaries as a single entity.

The interim consolidated financial statements are prepared using uniform accounting policies for similar events and transactions in identical circumstances. If the subsidiaries' financial statements use accounting policies that are different from those adopted in the interim consolidated financial statements, then appropriate adjustments are made to the subsidiaries' financial statements.

The non-controlling interest are stated at the non-controlling shareholders' proportionate share in the net income and equity of the subsidiaries based on the percentage of ownership of the non-controlling shareholders in the subsidiaries.

c. Financial assets and financial liabilities

Financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, export bills and notes receivable, Government Recapitalization Bonds, securities purchased under agreement to resell, derivative receivables, loans, sharia receivables and financing, finance lease receivables, acceptance receivables, investment in associated entities at cost method and other assets.

Financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks and financial institutions, securities sold under agreement to repurchase, derivative payables, acceptance payables, marketable securities issued, fund borrowings, other liabilities and subordinated loans and marketable securities.

(i) Classification

BRI classifies its financial assets in to the following categories at initial recognition:

- Financial assets held at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;
- Loans and receivables;
- Held to maturity investments;
- Available for sale investments.

Financial liabilities are classified into the following categories at initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified as held for trading;
- Other financial liabilities that are not classified as financial liabilities held at fair value through profit or loss are categorized and measured at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

Classes of financial assets and liabilities measured at fair value through profit or loss consist of financial assets and liabilities held for trading which BRI acquired or owned especially for the purpose of sale or repurchase in the near future, or holds as part of a certain financial instrument portfolio that is managed together to obtain short-term profit or position taking.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market, except:

- those that BRI intends to sell immediately in the short term period, which are classified as held for trading and those upon initial recognition designates as of fair value through profit or loss;
- those upon initial recognition designates as available for sale investments; or
- those for which BRI may not recover substantially all of its initial investment, except because of loans and receivables deterioration, which classified as available for sale.

Held to maturity investments consist of non-derivatives financial assets with fixed or determinable payments and fixed maturity that BRI has the positive intention and ability to hold this financial assets to maturity. Investments intended to be held for an undetermined period are not included in this classification.

The available for sale investments consists of non-derivatives financial assets that are designated as available for sale or are not classified as one of the other categories of financial assets.

After initial recognition, available for sale investments are measured at fair value with gains or losses recognized as part of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gains or losses previously reported in equity is included in the interim consolidated statement of profit or loss and other comprehensive income. The effective yield and (where applicable) results of foreign exchange are restated for available for sale investments and reported in the interim consolidated statement of profit or loss and other comprehensive income.

Other financial liabilities pertain to financial liabilities that are neither held for trading nor designated at fair value through profit or loss upon recognition of the liabilities.

(ii) Initial recognition

- a. Purchase or sale of financial assets that requires delivery of assets within a time frame established by regulation or convention in the market (regular purchases) is recognized on the settlement date.
- b. Financial assets and financial liabilities are initially recognized at fair value. For those financial assets or financial liabilities not measured at fair value through profit or loss, the fair value includes directly attributable transaction costs. The subsequent measurement of financial assets and financial liabilities depends on their classification.

Transaction costs only include costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and is an additional cost that would not occur if the financial instrument is not acquired or issued. For financial assets, transaction costs are added to the amount recognized in the initial recognition of the asset, while for financial liabilities, transaction costs are deducted from the amount of debt recognized in the initial recognition of a liability. The transaction costs are amortized over the terms of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the financial asset or as part of interest expense for transaction costs related to financial liabilities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

BRI, upon initial recognition, may designate certain financial assets at fair value through profit or loss (fair value option). The fair value option is only applied when the following conditions are met:

- The determination as a fair value option reduces or eliminates an accounting mismatch that would arise; or
- The financial assets are part of a financial instruments portfolio that the risk are managed and reported to key management on a fair value basis; or
- The financial assets consist of a host contract and embedded derivatives that must be bifurcated.

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swap, but does not meet the criteria for hedge accounting. Otherwise, the loans would be recorded at amortized cost, while the derivatives are measured at fair value through profit or loss.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. Furthermore, the fair value option is applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available for sale financial assets and financial assets and liabilities measured at fair value through profit or loss are subsequently measured at fair value.

Loans and receivables, held to maturity investments and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest rate method.

(iv) Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows arising from the financial assets have expired; or
- BRI have transferred its rights to receive cash flows arising from the financial assets or has assumed an obligation to pay the cash flows received in full without material delay to a third party under a “pass-through” arrangement; and either (a) BRI has substantially transferred all the risks and rewards of the assets, or (b) BRI has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

When BRI has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset or not transferring the control of the asset, the asset is recognized to the extent of BRI's continuing involvement in the asset..

Loans are written off when there is no longer a realistic prospect of repayment or the normal relationship between BRI and the debtors has ended. The uncollectible loans, are written off against the related allowance for impairment losses.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

- b. Financial liabilities are derecognized when they end, i.e. when the liabilities under the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same creditor on a substantially different terms, or the terms of an existing liability are substantially modified, then the exchange or modification is treated as derecognition of the initial liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the interim consolidated statement of profit or loss and other comprehensive income.

(v) Income and expense recognition

- a. Interest income and interest expense on available for sale assets and financial assets and liabilities measured at amortized cost, are recognized in the interim consolidated statement of profit or loss and other comprehensive income using the effective interest rate method.
- b. Gains and losses arising from changes in the fair value of the financial assets and liabilities measured at fair value through profit or loss are recognized in the interim consolidated statement of profit or loss and other comprehensive income.
- c. Gains and losses arising from changes in the fair value of available for sale financial assets are recognized directly in equity, except for gains or losses due to changes in the exchange rate of monetary items, derecognition or impairment of the financial asset.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity should be recognized in the interim consolidated statement of profit or loss and other comprehensive income.

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument out of the measured at fair value through profit or loss category, if upon initial recognition it was designated by BRI as measured at fair value through profit or loss.

BRI is not allowed to classify any financial assets as held to maturity investments, if BRI has, during the current period or during the 2 (two) preceding years, sold or reclassified more than an insignificant amount of held to maturity investments before maturity (more than an insignificant amount compared to the total amount of held to maturity investments) except these sales or reclassifications:

- a. Done when the financial asset is so close to maturity or the financial asset's repurchase date that changes in the interest rate would not have a significant effect on the financial asset's fair value;
- b. Occured after BRI has collected substantially all of the principal amount of the financial assets according to the repayment schedule or BRI has collected an accelerated settlement; or
- c. Are attributable to an isolated event that is beyond BRI's control, is non-recurring and could not have been reasonably anticipated by BRI.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the interim consolidated statement of financial position if and only if, BRI has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business, event of default, or bankruptcy of the entity over all the counterparties. Income and expenses are presented on a net basis only when permitted by the accounting standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability measured at initial recognition, less principal repayments, plus or minus the cumulative amortization using the effective interest rate method calculated from the difference between the initial amount recognized and the maturity amount, less any impairment.

(ix) Fair value measurement

Fair value is the price that would be accepted to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell an asset or to transfer a liability takes place either:

- In the principal market for the assets and liabilities; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when determining the price of the asset and liability assuming that market participants act in their own economic best interest.

A fair value measurement of non-financial assets considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to other market participants that would use the asset in its highest and best use.

BRI and subsidiaries 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.

All assets and liabilities for which fair value is measured or disclosed in the interim consolidated financial statements are classified within fair value hierarchy, based on the lowest level input that is significant to the overall fair value measurement :

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 : inputs other than quoted prices included in level 1 for the assets and liabilities, which is directly or indirectly observable.
- Level 3 : unobservable inputs for the assets and liabilities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

For assets and liabilities that are recognized in the interim consolidated financial statements on a recurring basis, BRI determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement) at the end of each reporting period.

For the fair value disclosures purposes, BRI has determined classes of assets and liabilities based on the nature, characteristics, risks of the asset and liability, and the level of the fair value hierarchy (Note 40).

(x) Sukuk Financial Asset

Base on SFAS No.110 (Revised 2015), BRI determines investments in sukuk ijarah and mudharabah as measured at cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

The sukuk classification is as follows:

a. Measured at acquisition cost

- The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost and the difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and is recognized in profit or loss.

b. Measured at fair value through other comprehensive income

- The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and to sell the sukuk, and has contractual terms in determining the specific date of principal payments and or the results.
- Sukuk acquisition cost includes transaction cost and the difference between acquisition cost and the nominal value is amortized on a straight-line basis over the period of the sukuk and is recognized in profit or loss.
- Gains or losses from changes in the fair value is recognized in other comprehensive income after considering the difference between acquisition cost and unamortized nominal value and accumulated gain or loss of fair value which has previously recognized in other comprehensive income. When sukuk is derecognized, accumulated gain or loss which was previously recognized in other comprehensive income is reclassified to profit or loss.

c. Measured at fair value through profit or loss

Sukuk acquisition cost excludes transaction cost and the difference between fair value and the carrying amount is recognized in profit or loss.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

d. Transactions with related parties

BRI and subsidiaries engage in transactions with related parties as defined in SFAS No. 7 (Revised 2010) on "Related Party Disclosures".

A party is considered a related party to BRI and subsidiaries if:

- 1) directly or indirectly, through one or more intermediaries, a party (i) controls, or controlled by, or under common control with BRI and subsidiaries; (ii) has an interest in BRI and subsidiaries that provides significant influence on BRI and subsidiaries; or (iii) has joint control over BRI and subsidiaries;
- 2) it is a related entity with BRI and subsidiaries;
- 3) it is a joint venture in which BRI and subsidiaries have ventured in;
- 4) it is a member of key management personnel in BRI and subsidiaries or the parent entity;
- 5) it is a close family member of the individual described in clause (1) or (4);
- 6) it is an entity that is controlled, jointly controlled or significantly influenced by or for whom has significant voting rights in several entities, directly or indirectly, by the individual described in clause (4) or (5); and
- 7) it is a post-employment benefit plan for the employees benefit of either BRI and subsidiaries or entities related to BRI and subsidiaries.

Transactions with related parties are made on the same term and conditions as those transactions with third parties. All transaction done by BRI have complied with Bapepam-LK Regulation No. IX.E.1 regarding "The Affiliate Transactions and Conflict of Interest of Certain Transactions", at the time the transaction were made. All material transactions and balances with related parties are disclosed in the relevant notes to the interim consolidated financial statements and the details have been presented in Note 44 of the interim consolidated financial statements. Furthermore, material transactions and balances between BRI and Subsidiaries and the Government of the Republic of Indonesia and other entities related to the Government of the Republic of Indonesia are also disclosed in Note 44.

e. Allowance for impairment losses on financial assets

On each statement of financial position reporting date, BRI assesses whether there is an objective evidence that financial assets not measured at fair value through profit or loss are impaired.

Financial assets are impaired when an objective evidence shows that a loss event has occurred after the initial recognition of the financial asset and that the loss event has an impact on the future cash flows of the financial asset that can be estimated reliably.

The criteria used by the entity to determine the existence of an objective evidence of impairment loss are as follows:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a the occurrence of default or arrears of principal or interest payments;
- c) the creditor, for economic or legal reasons related to the debtor's financial difficulties, grants concession to the debtor that is unlikely granted if the debtor doesn't experience such difficulties;
- d) it becomes probable that the debtor will enter into bankruptcy or other financial reorganization;
- e) the disappearance of an active market for that financial asset because of financial difficulties; or
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - 1) adverse changes in the payment status of debtors in the portfolio; and
 - 2) national or local economic conditions that correlated with the defaults on the assets in the portfolio.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

The estimated period between the occurrence of the event and the identification of loss is determined by management for each identified portfolio. In general, the period used vary between 3 (three) months and 12 (twelve) months, in certain cases, a longer period is required.

BRI first assesses whether an objective evidence of impairment exists individually, for financial assets that are individually significant, or collectively, for financial assets that are not individually significant. If BRI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether the financial is significant or not, then BRI includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized, are not included in the collective assesment of impairment.

BRI determines the loans to be evaluated for impairment individually if one of the following criteria is met:

1. Loans which individually have significant value and there is an objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of substandard, doubtful and loss; or (b) Restructured loans that have significant value in accordance with BRI's policy.

BRI determines loans to be evaluated for impairment collectively if one of the following criteria is met:

1. Loans which individually have significant value but there is no objective evidence of impairment;
2. Loans which individually have insignificant value;
3. Restructured loans which individually have insignificant value.

Based on the above criteria, BRI performs collective assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of current and special mention which have never been restructured; or (b) Loans that have insignificant value in accordance with BRI's policy.

The calculation of allowance for impairment losses on financial assets assessed collectively is grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the probability of default. For loans that have historical loss data and information that is categorized as a disaster prone areas by the Government of the Republic of Indonesia and supported by internal policies of BRI, the calculation of allowance for impairment losses is done by calculating the overall loss rate which include the actual loss rate plus the relevant associated risk factors based on the survey conducted periodically to external parties and BRI's internal parties.

BRI uses the migration analysis method, which is a statistical analysis method to collectively assess allowance for impairment losses on loans. BRI uses 3 (three) years moving average historical data to compute the Probability of Default (PD) and Loss of Given Default (LGD).

BRI uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the financial assets initial effective interest rate. If loans or held to maturity securities and

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

Government Recapitalization Bonds have variable interest rate, the discount rate used for measuring any impairment loss is the prevailing effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment based on the instrument's fair value by using an observable market price, the calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure of collateral less costs for obtaining and selling it, regardless of whether the foreclosure is likely to occur or not.

Losses that occurred are recognized in the interim consolidated statement of profit or loss and other comprehensive income and recorded in allowance for impairment losses account as a deduction to the financial assets carried at amortized cost.

Interest income of the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows in measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized must be recovered and the recovery is recognized in the interim consolidated statement of profit or loss and other comprehensive income.

For financial assets classified as available for sale, BRI assesses on each statement of financial position reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of the investment in equity instrument below its acquisition cost is an objective evidence of impairment and resulting in the recognition of an impairment loss.

Impairment losses on available for sale securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the interim consolidated statement of profit or loss and other comprehensive income. The cumulative loss that has been transferred from equity and recognized in the interim consolidated statement of profit or loss and other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any financial asset's impairment loss previously recognized in the interim consolidated statement of profit or loss and other comprehensive income.

Impairment losses recognized in the interim consolidated statement of profit or loss and other comprehensive income on available for sale equity instruments should not be recovered through a reversal of a previously recognized impairment loss in the current period interim consolidated statement of profit or loss and other comprehensive income.

If in the subsequent period, the fair value of debt instrument classified as available for sale increases and the increase can be objectively related to an event that occurred after the impairment loss was recognized in the interim consolidated statement of profit or loss and other comprehensive income, the impairment loss is recovered in the interim consolidated statement of profit or loss and other comprehensive income.

If the terms of the loans, receivables or held to maturity securities are renegotiated or modified because of financial difficulties of the debtor or issuer, impairment is measured using the initial effective interest rate before the modification of terms.

If in the subsequent period, the amount of allowance for impairment losses is decreased and the decrease can be objectively related to an event that occurred after the recognition of the impairment losses (e.g. debtor's or issuer's collectibility upgrade), the impairment loss that was previously recognized has to be recovered, by adjusting the allowance account. The recovered amount of financial assets is recognized in the current period interim consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off loans from previous year are recorded as operating income other than interest income.

The minimum allowance to be provided in accordance with Bank Indonesia (OJK) Regulation are as follows:

- a) 1% of earning assets classified as Current, excluding placements with Bank Indonesia, Government Bonds, other debt instruments issued by the Government of the Republic of Indonesia and earning assets secured by cash collateral;
- b) 5% of earning assets classified as Special Mention, net of deductible collateral;
- c) 15% of earning assets classified as Sub-standard, net of deductible collateral;
- d) 50% of earning assets classified as Doubtful, net of deductible collateral; and
- e) 100% of earning assets classified as Loss, net of deductible collateral.

The criteria for assessment of the value of collateral that can be deducted in the calculation of allowance for impairment losses are based on Bank Indonesia (OJK) Regulations.

f. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. The current accounts with Bank Indonesia and other banks are classified as loans and receivables.

g. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks consist of fund placements in Bank Indonesia such as Deposit Facility, Term Deposit and Sharia Deposit Facility whereas fund placements with other banks represent placements of funds in the form of placements in money market (inter-bank call money), time deposits and banker's acceptance.

Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as loans and receivables.

h. Securities and Government Recapitalization Bonds

Securities consist of securities traded in the money and capital market such as Certificates of Bank Indonesia, Deposit Certificates of Bank Indonesia, Sharia Certificates of Bank Indonesia, Government bonds, promissory notes, subordinated loans and marketable securities, mutual fund units, Medium-Term Notes, U.S Treasury Bonds, Singapore Government Securities, Negotiable Certificate of Deposits, Monetary Authority of Singapore (MAS) bills and credit linked notes as well as bonds traded in the stock exchange.

Termasuk di dalam efek-efek adalah obligasi yang diterbitkan oleh Pemerintah yang tidak terkait dengan program rekapitalisasi seperti Surat Utang Negara (SUN), Surat Perbendaharaan Negara (SPN) dan obligasi Pemerintah dalam mata uang asing yang diperoleh melalui pasar perdana dan juga pasar sekunder.

Securities include bonds issued by the Government that are not related with the recapitalization program such as Government Debentures (Surat Utang Negara or SUN), Government Treasury Bills (Surat Perbendaharaan Negara or SPN) and Government bonds in foreign currency obtained from primary and secondary markets.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds

Securities and Government Recapitalization Bonds are initially measured at fair value. After the initial recognition, the securities and Government Recapitalization Bonds are recorded according to their category, i.e. as held to maturity, fair value through profit or loss or available for sale.

The valuation of securities and Government Recapitalization Bonds is based on the classification as follows:

- 1) Held to maturity securities and Government Recapitalization Bonds are carried at amortized cost using the effective interest rate method. BRI does not classify securities and Government Recapitalization Bonds as held to maturity financial assets if BRI has, during the current period or during the 2 (two) preceding years, sold or reclassified more than an insignificant amount of held to maturity securities or Government Recapitalization Bonds before maturity other than sales or reclassifications that are defined in SFAS No. 55 (Revised 2014) which is applicable in the relevant period.
- 2) Securities and Government Recapitalization Bonds classified as fair value through profit or loss are stated at fair value. Gains and losses arise from changes in fair value of securities and Government Recapitalization Bonds are recognized in the interim consolidated statement of profit or loss and other comprehensive income.
- 3) Securities and Government Recapitalization Bonds classified as available for sale investments are stated at fair value. Interest income is recognized in the interim consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available for sale securities and Government Recapitalization Bonds are recognized in the interim consolidated statement of profit or loss and other comprehensive income. Other fair value changes are recognized directly in equity until the securities and Government Recapitalization Bonds are sold or impaired, whereby the cumulative gains and losses previously recognized in equity must be recognized in the interim consolidated statement of profit or loss and other comprehensive income.

i. Export bills and notes receivable

Export bills represent export bills negotiated on a discounted basis and guaranteed by other banks, while notes receivable are bills or billing documents in the form of drafts or bills of exchange to the collectible parties or drawee on the basis of discount or a certain financing. Export bills and notes receivable are stated at amortization cost less the allowance for impairment losses. Export bills and notes receivable are classified as loans and receivables.

j. Loans

Loans represent the lending of money or other similar form of receivables under agreements or borrowing and lending commitments with debtors, whereby the debtors are required to repay their debts with interest after a specified period of time.

Loans are initially measured at fair value plus transaction costs that are directly attributable and is the additional costs to obtain the financial assets and after the initial recognition, are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Loans extended under syndication agreements are recognized at the nominal amount to the extent of the risks, borne by BRI.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Loans (continued)

Restructured loans are stated at the lower of the carrying amount on the date of restructuring or the present value of future cash receipts after the restructuring. Losses resulting from the difference between the carrying amount on the date of restructuring and the present value of future cash receipts after the restructuring are recognized in the interim consolidated statement of profit or loss and other comprehensive income. After the restructuring, all future cash receipts specified by the new terms are recorded as a principal payment of loans and interest income in accordance with the terms of the restructuring.

Loans are written off when there is no realistic prospect of collections in the future and all collateral have been sought to be realized or foreclosed. The uncollectible loans are written off against the related allowance for impairment losses. Subsequent payment of loans that was written off are credited to the allowance of impairment losses in the interim consolidated statement of financial position.

k. Sharia receivables and financing

Financing/receivables based on sharia principles is provision of money or other similar form of receivables arising from transactions carried out based on sale or purchase arrangements and profit sharing between BRIS and other parties for a certain period of time. The receivables consist of *murabahah*, *istishna* and *qardh* receivables, and for financing consists of *mudharabah* and *musyarakah* financing.

Murabahah is a sale and purchase contract between the customer and BRIS, whereby BRIS finances the consumption, investment and working capital needs of the customer that sold with a principle price plus a certain margin that is mutually informed and agreed. Repayment on this financing is made in installments within a specified period of time.

Murabahah receivables are initially measured at fair value plus directly attributable transaction costs and is the additional cost to obtain the financial assets and after the initial recognition, are measured at amortized cost using the effective margin method less allowance for impairment losses.

Mudharabah financing is a joint financing contract between BRIS as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) during a certain period of time. The profit sharing from the project or the business is determined in accordance with the mutually agreed *nisbah* (pre-determined ratio). On the statement of financial position date, *mudharabah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review of the financing quality.

Musyarakah is a partnership contract among capital's owners (*musyarakah* partners) to joint the capital and conduct a business on a joint basis through partnership with the profit sharing based on the agreed *nisbah* (a predetermined ratio), while the losses are borne proportionally based on the capital contribution. On the statement of financial position date, *musyarakah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review on the financing quality.

Istishna is a sale and purchase contract between *al-mustashni* (buyer) and *al-shani* (manufacturer also acting as the seller). Based on the contract, the buyer orders the manufacturer to produce or to supply *al-mashnu* (goods ordered) according to the specifications required by the buyer and sell them at the agreed price. *Istishna* receivables are stated at outstanding term billings to final buyer less allowance for impairment losses. Deferred *istishna* margin are stated as contra account of *istishna* receivables.

Qardh is the provision of money or similar form of receivables based on agreement between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* receivables are stated at outstanding financing balance less allowance for impairment losses based on the management's review on the financing quality.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

l. Finance lease receivable

Determining whether an arrangement is a lease agreement or agreements containing leases based on the substance of the agreement at inception date and whether the fulfillment of the agreement depends on the use of an asset and the agreement provides a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and benefit that related to the ownership of the asset. A lease is classified as operating lease if the lease does not transfer substantially all the risks and benefit that related to the ownership of the asset

Finance lease receivable are recognized at the net investment which is the fair value less administrative revenue and plus transaction cost (if any) that directly attributable and subsequently measured at amortized cost using the effective interest rate method.

At initial recognition, the fair value of net investment in finance lease is finance lease receivable plus the residual value which will be received at the end of the lease term less deferred finance lease income and guarantee deposit. The difference between the gross receivable amount and the present value of finance lease receivable are recognized as unrecognized finance lease income. Unrecognized finance lease income is allocated as current year income using the effective interest rate.

m. Acceptances receivable and payable

Acceptances receivable and payable represent letters of credit (L/C) transactions that have been accepted by the accepting bank.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are presented net of allowance for impairment losses.

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as financial liabilities measured at amortized cost.

n. Investment in associated entities

BRI's investments in its associated entities are measured using the equity method. An associated entity is an entity in which BRI has significant influence or share ownership more than 20% of the voting rights. The initial recognition of investments in associated entities are recognized at acquisition cost and the carrying amount is added or subtracted to recognize the BRI's portion of profit or loss of the associated entities after the acquisition date. BRI's portion of profit or loss of the associated entities are recognized in profit or loss of BRI. Receipt of distributions from associated entities reduce the carrying amount of the investment.

The interim consolidated statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associated entities. If there is any change that recognized directly in the equity of the associated entities, BRI recognizes its share of such changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between BRI and the associated entities are eliminated to the extent of BRI's interest in the associated entities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Investment in associated entities (continued)

After applying the equity method, BRI determines whether it is necessary to recognize an additional impairment loss on BRI's investment in its associated entities. BRI determines at each reporting date whether there is any objective evidence that indicating the investment in the associated entities is impaired. If this is the case, BRI calculates the amount of impairment as the difference between the recoverable amount of the investment in the associated entities and its carrying value, and recognizes the amount in the interim consolidated statement of profit or loss and other comprehensive income.

BRI's investment in its associated entities with no significant influence or share ownership under 20% are recorded in accordance with SFAS No. 55 (Revised 2014) less allowance for impairment losses.

o. Premises and equipments

Premises and equipments are initially recognized at acquisition cost, which comprises its purchase price and additional costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Subsequent to initial recognition, premises and equipments (excluding landrights) are carried at acquisition cost less accumulated depreciation and impairment losses.

Premises and equipments acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets are measured at fair values, unless:

- (i) the exchange transaction lacks commercial substance, or
- (ii) the fair value of the assets received or the assets given up can not be measured reliably.

Depreciation of an asset starts when it is ready to use in accordance with its intended use and is computed using the straight-line method based on the estimated economic useful lives of the assets as follows:

	<u>Years</u>
Buildings	15
Satellites	15
Motor vehicles	5
Computers and machineries	3 - 5
Furniture and fixtures	5

Premises and equipments valuation is carried out on the decrease and possible impairment of the fair value of an asset in the event of or change in circumstance which indicates that the carrying amount may not be fully realized.

The carrying amount of an item of premises and equipments is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset is directly included in the profit or loss for the year when the item is derecognized. The assets' residual values, useful lives and depreciation method are evaluated at each end of year and adjusted prospectively if necessary.

Land are initially stated at acquisition cost and not depreciated. Subsequent to initial recognition, land is measured at fair value at the revaluation date less any accumulated impairment losses after the revaluation date. Valuation of land are performed by appraisers with professional qualification, and is done in regular basis to ensure that the carrying amount does not differ materially from its fair value at the end of reporting period (Note 17).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Premises and equipments (continued)

If the fair value of the revalued asset changes significantly and fluctuates, it will need to be revalued on an annual basis, whereas if the fair value of the revalued asset does not change significantly and fluctuates, the revaluation should be made once every 3 (three) years.

Increase in the carrying amount arising from revaluation is recorded in "Revaluation Surplus arising from Premises and Equipments" and presented in other comprehensive income. However, the increase are recognized in the profit or loss, up to the amount of impairment of the same assets due to revaluation previously recognized in the profit or loss. A decrease in the carrying amount arising from the revaluation recognized in the profit or loss.

Maintenance and repairs expense are charged to the profit or loss when incurred. The cost of major restoration and addition are capitalized to the carrying amount of the related premises and equipments when it is probable that the future economic benefits in excess of the predefined initial performance standard and are depreciated over the remaining useful life of the related premises and equipments.

Assets under constructions in-progress are stated at cost, including capitalized borrowing costs and other costs incurred in connection with the financing of the constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipments" account when the construction is completed and available for intended use. Assets under construction in-progress are not depreciated as these are not yet available for use.

The legal cost of landrights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Right ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired are recognized as part of the cost of the land under the "Premises and Equipments" account. The extension or the legal renewal costs of landrights were recognized as intangible assets and were amortized over the shorter period of the rights' legal life or the land's economic life.

p. Impairment of Non-Financial Assets

BRI assesses, at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when the testing at the reporting date, impairment is required for a certain asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination), then BRI makes an estimate of the asset's recoverable amount.

The specified recoverable amount for an individual asset is the higher of an asset's fair value or Cash Generating Unit's (CGU) less costs of disposal and its value in use, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the asset's carrying amount is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the interim consolidated statement of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, refer to SFAS No. 68, "Fair Value Measurements" (Note 2c).

Impairment losses of continuing operations, if any, are recognized in the interim consolidated statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

q. Foreclosed collaterals

Foreclosed collaterals acquired in settlement of loans (included as part of "Other Assets") are recognized at net realizable values or the carrying amount of the loans, whichever is lower. Net realizable value is the fair value of the collateral after deducting the estimated costs of disposal. The excess in loan balances which has not been paid by debtors over the value of foreclosed collaterals is charged to allowance for possible losses on loans in the current year. The difference between the value of the foreclosed collateral and the proceeds from the sale are recognized as a gain or loss at the time of sale of the collateral.

BRI evaluates the value of foreclosed collaterals periodically. The allowance for losses of foreclosed collaterals is assessed based on the impairment of foreclosed collaterals.

Reconditioning costs arising after the foreclosure of the collateral are capitalized in the accounts of the foreclosed collaterals.

r. Prepaid expenses

Prepaid expenses are amortized over the useful lives using the straight-line method.

s. Liabilities due immediately

Liabilities due immediately represent the liability of BRI to external parties which by nature should be paid immediately in accordance with the requirements in the agreement which have been previously determined. This account is classified as financial liabilities and measured at amortized cost.

t. Deposits from customers and other banks and financial institutions

Demand deposits represent funds deposited by customers whereby the withdrawal can be done at any time by using a check, or through transfer with a bank draft or other forms of payment order. These demand deposits are stated at the amount due to the account holder .

Wadiah demand deposits represent third party funds which are available for withdrawal at any time and earn bonus based on BRIS's policy. *Wadiah* demand deposits are stated at the amount due to the account holder of the deposit in BRIS.

Mudharabah demand deposits represent customer funds investment that can be withdrawn in accordance with the agreed payment order method. *Mudharabah* demand deposits are recorded at BRIS' liabilities.

Saving deposits represent the funds deposited by customers which entitled the depositors to withdraw under certain agreed conditions. Saving deposits are stated at the amount due to the account holders.

Wadiah saving deposits represent funds deposited by customers in BRIS, which is entrusted and the deposits can be withdrawn any time and does not require BRIS to give rewards unless in the form of bonus in a voluntary way. *Wadiah* saving deposits are stated at the amount due to the account holders.

Mudharabah saving deposits represent funds deposited by third parties which earn a share of BRIS's profit for the management of funds based on a predetermined and pre-agreed *nisbah*. *Mudharabah* saving deposits is stated at the customers' saving balance.

Time deposits represent funds deposited by customers that can be withdrawn only at a certain point of time as stated in the contract between the depositor and BRI and BRI Agro. Time deposits are stated at the nominal amount provided in the certificates of deposits or at the amount stated in the agreement.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Deposits from customers and other banks and financial institutions (continued)

Mudharabah time deposits represent third party funds that can be withdrawn only at a certain point of time based on the agreement between the *mudharabah* time deposit holder and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the time deposit holders and BRIS.

Deposits from other banks and financial institutions consist of liabilities to other banks, either domestic or overseas, in the form of demand deposits, saving deposits, time deposits and inter-bank call money through the issuance of promissory notes with a term of up to 90 (ninety) days and stated at the amount due to other banks and financial institutions.

Deposits from customers and other banks and financial institutions are classified as other financial liabilities measured at amortized cost using effective interest rate except deposits and temporary *syirkah* funds which are stated at the BRI and its subsidiaries' liability amount to customers. Incremental costs directly attributable to the acquisition of deposits from customers are deducted from the amount of the deposits.

u. Securities purchased under agreement to resell and securities sold under agreement to repurchase

Securities purchased under agreement to resell

Securities purchased under agreement to resell are presented as financial assets in the interim consolidated statement of financial position, at the resale price less any unamortized interest and allowance for impairment losses. The difference between the purchase price and the resale price is treated as deferred interest income (unamortized) and recognized as income over the period starting from when those securities are purchased until they are resold using effective interest rate. Securities purchased under agreement to resell are classified as loans and receivables measured at amortized cost.

Securities sold under agreement to repurchase

Securities sold under agreement to repurchase are presented as financial liabilities in the interim consolidated statement of financial position, at the repurchase price less any unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as expense over the period starting from when those securities are sold until they are repurchased using effective interest rate. Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

v. Marketable securities issued

Marketable securities issued by BRI consist of Bonds, Medium-Term Notes (MTN) and Negotiable Certificate of Deposit (NCD).

The marketable securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

w. Fund borrowings

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with a repayment obligation based on the terms of the borrowing agreements.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

w. Fund borrowings (continued)

Fund borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

x. Subordinated loans and marketable securities

Subordinated loans and marketable securities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, while BRIS (subsidiary), the measurement of amortized cost are using the straight line method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

y. Provision

Provisions are recognized when BRI and subsidiaries have a present obligation (legal or constructive) that, as a result of past events, the settlement of the liability is likely to result in an outflow of resources that contain economic benefits and a reliable estimation of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the most current best estimation. If the outflow of resources to settle the obligation is most likely will not occur, the provision is reversed.

z. Provision and timely interest payment in BRI unit

On Time Interest Payment (Pembayaran Bunga Tepat Waktu or PBTW) represents incentives given to General Rural Loans (Kredit Umum Pedesaan or Kupedes) debtors who settled their loans by repaying the loans in accordance to the mutually agreed installment schedules. The amount of PBTW is 25% of the interest received from either Kupedes Working Capital Loans or Kupedes Investment Loans. PBTW is presented as a deduction from interest income of loans. BRI provided Allowance for On Time Interest Payment (CPBTW) for the PBTW and present it in "Other Liabilities" account (Note 29).

aa. Interest income and interest expense

Interest income and expense for all interest bearing financial instruments are recognized in the interim consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate that precisely discounts the estimated future cash payments or receipts through the expected life of the financial asset or financial liability (or, if appropriate, a shorter period) to obtain the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, BRI and subsidiaries estimates the future cash flows by considering all contractual terms in the financial instruments except the future credit losses.

This calculation includes all commissions, provision fees and other forms received by the parties in the contract that are inseparable from the effective interest rate, transaction costs and all other premiums or discounts.

If a financial asset or group of similar financial assets has impaired as a result of impairment losses, the interest income subsequently obtained is recognized based on the interest rate used to discount the future cash flows in calculating the impairment losses.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ab. Fees and commissions

Fees and commissions directly related to lending activities, or fees and commissions related to a specific period of time, are amortized over the term of the contract using the effective interest rate and classified as part of interest income in the interim consolidated statement of profit or loss and other comprehensive income.

Fees and commissions that are not related to the lending activities or a specific period of time and/or related to provision of a service, are recognized as revenue at the time of the transaction occurred and recorded under other operating income account.

ac. Sharia income and expense

Sharia income consists of income from *murabahah*, *istishna*, *ijarah* receivables transactions and profit sharing from *mudharabah* and *musyarakah* financing.

Income from *ijarah* transactions is recognized using the accrual method. Income from *istishna* transactions and profit sharing from *mudharabah* and *musyarakah* financing are recognized when the cash installments are received. Expenses based on sharia principles consist of *mudharabah* profit sharing expense and *wadiah* bonus expense.

Income from *murabahah* receivables is recognized using the effective margin method. Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the *murabahah* receivables. When calculating the effective margin, BRIS estimates the future cash flows by considering all contractual terms in the financial instrument, except the future credit losses. This calculation includes all commissions, provision fees and other forms received by the parties in the contract that are an inseparable from the effective margin, transaction costs and all other premiums or discounts.

Mudharabah and *musyarakah* profit sharing income are recognized upon receipt or in a period where the right of profit sharing is due based on the agreed profit-sharing portion (*nisbah*).

ad. Premium income and claim expense

Premiums of short-term insurance contracts are recognized as income within the contract period in accordance with the proportion of the amount of the insurance coverage provided. Premiums of non short-term insurance contracts are recognized as income when due from policyholders. Premiums received prior to the issuance of insurance policies or premium due date is recorded as premium deposit.

Premiums related to investment contract and the amount of financial risk component of insurance contract are recorded as a deposit through the interim consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

Gross reinsurance premiums are recognized as expenses when paid or on the date when the policy becomes effective.

Insurance claims and benefits consist of approved claims. Claims and benefits are recognized as expense when the liabilities to cover the claims are incurred. Reinsurance claims received from the reinsurance companies are recognized and recorded as reinsurance claim in the same period as the recognition of claim expenses.

Insurance claims and benefits related to investment contract and the amount of financial risk component of insurance contract are recorded as a withdrawal through the interim consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance

Insurance contract liabilities

a. Liabilities for future policy benefits

Liabilities for future policy benefits represent the present value of estimated payments of all the guaranteed benefits including all the embedded options available, the estimated present value of all costs incurred and also considering the future premium receipt. Liabilities for future policy benefits represent liabilities of non short-term insurance contracts.

The increase in liability for future policy benefits is recognized as expense in the profit or loss for the year, while the decrease in liability for future policy benefits is recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

b. Estimated claim liabilities

Estimated claim liabilities represents claims in the settlement process which are determined based on the estimated loss from the claims that are still in settlement process at the interim consolidated statement of financial position date, including claims that have incurred but not yet reported ("IBNR").

The changes in estimated claim liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

c. Unearned premium

Unearned premium represents part of the premiums that already received but not yet earned, because the insurance coverage period not yet due at the end of the year. Unearned premium represents liabilities of short-term insurance contract.

Unearned premium are calculated individually from each coverage, where the amount determined proportionally to the amount of coverage provided during the coverage period or risk period, consistent with the recognition of short-term insurance premium income.

The increase in unearned premium are recognized as expense in the profit or loss for the year, while the decrease in unearned premium are recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled.

Investment contract liabilities

Investment contract liabilities represent liabilities that calculated on investment contract (including the amount of financial risk component in separated insurance contract) using the valuation principle in accordance with SFAS No.55 (Revised 2014). Deposits and withdrawals related to the investment contract (including the amount of financial risk component in separated insurance contract) are recorded directly as an adjustment to the investment contract liabilities in the interim consolidated statement of financial position and are not recognized as premium income in the profit or loss. Except for deposit and withdrawal, all changes in investment contract liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, discharged or cancelled

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance (continued)

Reinsurance

BRI Life cedes insurance risk in the normal course of business for all of its business lines.

The benefits of reinsurance contracts owned by BRI Life are recognized as reinsurance assets. These assets consist of receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. As required by SFAS No. 62, reinsurance assets are not offset against the related insurance contract liabilities.

Reinsurance receivables are estimated consistently with settled claims associated with the reinsurer's policies and in accordance with the related reinsurance contract.

BRI Life reinsured part of the risk of the expectation of coverage obtained to other insurance and reinsurance companies. The amount of the premium paid or the premium portion of the prospective reinsurance transaction are recognized as reinsurance premium over the reinsurance contract period proportionally to the insurance coverage provided. Payment or obligation for retrospective reinsurance transaction are recognized as reinsurance receivable in the amount equivalent to the recorded liability related to the reinsurance contract.

Reinsurance assets include balances expected to be paid by the reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities, and ceded unearned premium. The amounts of benefits covered by the reinsurers are estimated consistently with the liability associated with the reinsured policy.

BRI Life presents reinsurance assets separately as assets of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that BRI Life may not receive the whole amounts because under the terms of the contract, and the impact of the amounts that BRI Life will receive from the reinsurer can be reliably measured.

If a reinsurance asset is impaired, BRI Life reduces the carrying amount and recognizes the impairment loss in the profit or loss for the year.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to other party.

af. Employee benefits

Short-term employee benefits

Short-term employee benefits such as salaries, social security contributions, short-term leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

Defined contribution plan

Represent the contribution to pension fund that is equivalent to a certain percentage of salaries for qualified employees under the BRI's defined contribution plan. The contribution is accrued and recognized as expense when services have been rendered by the qualified employees and actual payments are deducted from the contribution payable. Contribution payable is measured using undiscounted amounts.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

af. Employee benefits (continued)

Defined benefit plan and other long-term employee benefits

The post-employment benefits and other long-term employee benefits such as gratuity for services, grand leaves and BPJS post-employment health program are accrued and recognized as expense when services have been rendered by the qualified employees. The benefits are determined based on BRI's policy and the minimum requirements of Labor Law No. 13/2003.

The post-employment benefits and other long-term employee benefits are actuarially determined using the Projected Unit Credit Method.

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income, consist of:

- (i) Actuarial gains and losses.
- (ii) Return on plan assets, excluding amounts that included in the net interest on liabilities (assets).
- (iii) Each change in the impact of the asset ceiling, excluding amounts that included in the net interest on liabilities (assets).

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income are not reclassified to profit or loss in the subsequent period.

For other long-term employee benefits, the current service cost, net interest on net defined benefit liabilities (assets), and the remeasurement of net defined benefit liability (asset) are recognized immediately in the current period interim consolidated statement of profit or loss and other comprehensive income.

Past service costs are recognized as expense at the earlier date between the amendment or curtailment program occurs, and when the related restructuring or termination costs are recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

ag. Stock options

In connection with the IPO, BRI granted stock options to Directors and employees of certain positions and levels based on the criteria established by BRI. Cost of stock compensation at the issuance date is calculated using the fair value of the stock options and recognized as part of "Salaries and Employee Benefits Expense" based on cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Options" in the equity.

The fair values of the stock options are assessed using the Black-Scholes option pricing model.

ah. Earnings per share

Basic earnings per share is calculated by dividing the income for the period or year attributable to the Parent Entity (BRI) with the weighted average number of issued and fully paid shares during the related period or year.

ai. Foreign currency transactions and balances

BRI and subsidiaries maintain their accounting records in Indonesian Rupiah. Transactions in foreign currencies are recorded at the prevailing exchange rates at the time of the transactions. As of March 31, 2018, December 31, 2017, 2016 and 2015, all foreign currency denominated monetary assets and liabilities are translated into Rupiah using the Reuters' spot rates at 4.00 p.m. WIB (Western Indonesian Time). The resulting gains or losses are recognized in interim consolidated statement of profit or loss and other comprehensive income for six-month period.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ai. Foreign currency transactions and balances (continued)

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full amount):

	June 30	December 31
	2018	2017
1 United States Dollar	14,330.00	13,567.50
1 Great Britain Pound Sterling	18,864.02	18,325.62
1 Japanese Yen	129.40	120.52
1 European Euro	16,694.45	16,236.23
1 Hong Kong Dollar	1,826.19	1,736.21
1 Saudi Arabian Riyal	3,821.08	3,617.71
1 Singapore Dollar	10,514.73	10,154.56
1 Malaysian Ringgit	3,549.23	3,352.07
1 Australian Dollar	10,592.74	10,594.19
1 Renminbi	2,165.54	2,083.64
1 Thailand Baht	432.54	416.31
1 Swiss Franc	14,431.02	13,901.13
1 Canadian Dollar	10,838.82	10,821.97
1 Bruneian Dollar	10,891.17	10,083.61
1 Danish Krone	2,240.15	2,180.78
1 South Korean Won	12.87	12.74
1 New Zealand Dollar	9,698.55	9,650.57
1 Papua New Guinean Kina	4,363.52	4,219.51
1 United Arab Emirates Dirham	3,901.28	3,693.95
1 Swedish Krone	1,603.68	1,650.05
1 Norwegian Krone	1,760.53	1,649.87
1 Indian Rupee	209.36	212.49
1 Phillipine Peso	268.52	272.13
1 Pakistani Rupee	1.99	1.99
1 Taiwanese Dollar	471.23	457.19
1 Vietnamese Dong	0.62	0.60

aj. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 1 (one) Subsidiary in Hong Kong, 3 (three) branch offices in Cayman Islands, Singapore and Timor Leste and 2 (two) representative offices in New York and Hong Kong which are considered as separate foreign entities.

For interim consolidated financial statements purposes, all accounts of subsidiary, overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, commitments and contingencies - using Reuters' spot rates at 4.00 p.m. WIB on the statement of financial position reporting date.
- Revenues, expenses, gains and losses - using the average middle rate during the related month. The end of year balances consist of the sum of the translated monthly balances of revenues, expenses, profit and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital using historical rates..

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

aj. Translation of the financial statements of Overseas Branch and Representative Offices (continued)

- Statement of cash flows - using the Reuters' spot rates at 4.00 p.m. WIB on the statement of financial position reporting date, except for the profit and loss accounts which are translated using the average middle rates and equity accounts which are translated using the historical rates.

The resulting difference arising from the translation process on the above financial statements are included in equity as "Differences Arising From The Translation of Foreign Currency Financial Statements".

ak. Derivatives Instrument

Derivatives financial instruments are assessed and recognized in the interim consolidated statement of financial position at fair value. Each derivatives contract is recorded as asset when the fair value is positive and as liability when the fair value is negative.

Derivatives receivable and payable are classified as financial assets and liabilities measured at fair value through profit or loss.

Gains or losses resulting from fair value changes are recognized in the interim consolidated statement of profit or loss and other comprehensive income.

The fair value of derivatives instruments are determined based on discounted cash flows and pricing models or quoted prices from the brokers of other instruments with similar characteristics, which refers to SFAS No. 68: "Fair Value Measurement" (Note 2c).

al. Taxation

Current tax expense is determined based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the fiscal reporting of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of the uncompensated tax loss balance to the extent that it is probable for the temporary differences and carry forward of the uncompensated tax loss balance to be utilized to deduct the future taxable profit.

The carrying amount of deferred tax assets is reviewed at each financial position date and is reduced if there is no longer probable that sufficient taxable profits will be available to compensate part or all of the benefit of the deferred tax assets.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply on the year when the asset is realized or the liability is settled based on the tax laws that have been enacted or substantively enacted on the statement of financial position date. The tax effect related to the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are recognized as "Income Tax Benefit (Expense), Deferred" and included in the net income or loss for the year, except for the transaction that previously charged or credited directly to equity.

Amendments to tax obligations are recorded when the tax assessment is received or, if an appeal is submitted, when the result of the appeal is determined.

For each of the consolidated entity, the tax effects on temporary differences and tax loss carry forward, which can individually be either asset or liability, are shown at the net amounts for each of the entities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

al. Taxation (continued)

Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.

am. Segment information

A segment is a distinguishable component of the Business Unit that is engaged either in providing certain products (operational segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The segment revenue, expenses, income, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a appropriate basis to that segment. The segment items are determined before intercompany balances and transactions are eliminated as part of consolidation process.

BRI and subsidiaries presents segments operation based on the BRI's internal consolidation report that is presented to the Board of Directors as the operational decision maker.

BRI has identified and disclosed financial information based on main business (operational segment) classified into micro, retail, corporate, others and subsidiaries, as well as geographical segment.

A geographical segment includes in providing products or services within a particular economic environment with different risks and returns compared to other operating segments in other economic environments. BRI's geographical segment are based on Indonesia, United States of America, Hong Kong, Singapore and Timor Leste region.

an. Use of significant accounting judgments, estimates and assumptions

The preparation of the BRI and subsidiaries interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amounts of the asset and liability in the subsequent reporting period.

Judgments

The following judgments are made by management in the process of applying BRI and subsidiaries' accounting policies that have the most significant effects on the amounts recognized in BRI and subsidiaries' interim consolidated financial statements as follows:

Going concern

BRI's management has assessed the ability of BRI and subsidiaries' ability to continue as going concerns and believes that BRI and subsidiaries have the resources to continue their businesses in the future. Furthermore, BRI's management is not aware of any material uncertainties that may cast significant doubt to the BRI and subsidiaries' ability to continue as a going concern. Therefore, the interim consolidated financial statements have been prepared on going concern basis.

Classification of financial assets and liabilities

BRI and subsidiaries' management determines the classifications of certain assets and liabilities as financial assets and financial liabilities by considering if they meet the definition set forth in SFAS No. 55 (Revised 2014).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Classification of financial assets and liabilities (continued)

Accordingly, the financial assets and financial liabilities are recognized for in accordance with BRI and subsidiaries' accounting policies disclosed in Note 2c..

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the interim consolidated financial statements are classified within fair value hierarchy, based on the lowest level of input that is significant to the overall fair value measurement:

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 : inputs other than quoted prices included in level 1 for the assets and liabilities, which is directly or indirectly observable.
- Level 3 : unobservable inputs for the assets and liabilities.

Held to maturity investment

Securities under held to maturity classification requires significant judgment. In making this judgment, BRI and subsidiaries evaluate their intention and ability to hold the investments to maturity. Then, if BRI and subsidiaries fail to hold these investments to maturity other than in certain circumstances, for example, selling an insignificant amount close to maturity, BRI and subsidiaries will be required to reclassify the entire portfolio as available for sale securities. The available for sale securities would be measured at fair value and not at amortized cost.

Contingencies

The management of BRI and subsidiaries are currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed through consultation with the aid of the legal counsel of BRI and subsidiaries and is based on the analysis of potential results. BRI and subsidiaries' management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies related to these proceedings.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities for the subsequent financial year disclosed below. BRI and subsidiaries based its assumptions and estimates used on the parameters available when the interim consolidated financial statements were prepared.

Assumptions and circumstances regarding future developments may change due to market changes or circumstances arising beyond the control of BRI and subsidiaries. The changes are reflected in the assumptions used when they occur.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Allowance for impairment losses on loans, sharia financing and receivables, and finance lease receivables

The management of BRI and subsidiaries review its loans, sharia financing and receivables, and finance lease receivables portfolio to assess impairment on an annual basis by updating allowance for impairment losses made during the period as necessary based on the continuing analysis and monitoring of individual accounts by the loan officers.

In determining whether an impairment loss should be provided in the interim consolidated statement of profit or loss and other comprehensive income, BRI and subsidiaries assess for any observable data indicating the existence of measurable decrease in the estimated future cash flows from loan portfolio before the decrease could be individually identified in the portfolio.

This evidence may include observable data indicating that there has been an adverse change in the payment status of group borrowers, or national or local economic conditions that correlate with the default on a group of assets.

BRI and subsidiaries use estimates in determining the amount and timing of future cash flows when determining the level of allowance for impairment losses required. The estimates are based on assumptions of several factors and actual results may differ, resulting to changes in the amount of allowance for impairment losses in the future.

Impairment of securities

The management of BRI determines that securities are impaired based on the same criteria as the financial assets stated at amortized cost.

Useful lives of premises and equipments

The management of BRI estimates the useful lives of premises and equipments based on the period in which the assets are expected to be available for use. The estimated useful lives of premises and equipments are reviewed periodically and updated if it has different expectations from previous estimates due to physical and technical damage or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of premises and equipments is based on the collective assessment of industry practice, internal technical evaluation and experience with the similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates caused by changes in the aforementioned factors. The amounts and timing of recording expenses for each period are affected by changes of those factors and circumstances during recording. Reduction in the estimated useful lives of premises and equipments would increase the operating expenses.

Impairment of non-financial assets

BRI and subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of non-financial asset may not be recoverable. The factors that considered important which may lead to impairment assessment are as follow:

- a) Significant underperformance against historical expectation or projection of operating results in the future;

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Impairment of non-financial assets (continued)

- b) Significant changes in the manner of use of the assets or the overall business strategy; and
- c) Significant negative industry or economic trends.

The management of BRI and subsidiaries recognizes an impairment loss if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher amount between the fair value less the costs of disposal and the use of asset value (or cash-generating unit). The recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs to the unit.

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that the taxable income will be available to be compensated against the losses that will be used. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, in accordance with the timing and amount of future taxable income in line with tax planning strategies.

BRI reviews its deferred tax assets at each of the interim consolidated statement of financial position reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable income will be available to compensate part or all of the deferred tax assets.

Estimated Claim Liability

Estimated claims liability represents amount set aside to provide the incurred and still in the settlement process claims liability arising from insurance policies in force. BRI's management judgment is required to determine the amount of estimated claims liability.

Present value of employee benefit

The cost of defined pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and disability rates. Due to the long-term nature of these plans, then the estimates are subject to significant uncertainty.

Liabilities for Future Policy Benefits

BRI records long-term insurance contract liabilities using the method of present value of estimated payment of all benefit promised including all options provided plus the present value of all estimated expenses that will be incurred and also considered the future receipt of premium. The main assumption underlying this method is the past claim experience and discount rate.

ao. Allowances for impairment losses on non-earning assets and commitments and contingencies

In accordance with Circular Letter of Bank Indonesia (BI) No. 13/658/DPNP/IDPnP dated December 23, 2011, BRI and BRI Agro are no longer required to provide allowance for impairment losses on non-earning assets and administrative accounts (commitments and contingencies) transactions, but the management of BRI is required to continue calculating the allowance for impairment losses in accordance with the applicable accounting standards

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ao. Allowances for impairment losses on non-earning assets and commitments and contingencies (continued)

For non-earning assets, the management of BRI and BRI Agro determine the impairment losses at the lower amount between the carrying amount and the fair value after deducting the cost of disposal.

For commitments and contingencies with credit risk, BRI and BRI Agro's determine the allowance for impairment losses based on the difference between the carrying amount and the present value of the payment obligations that are expected to occur (when payment under the guarantee has become probable).

ap. Changes in accounting policies and disclosures

BRI and its subsidiaries have applied the following accounting standards starting January 1, 2018, which are considered relevant to the interim consolidated financial statements, namely:

- a. SFAS No. 2 (2016 Amendment), "Disclosure Initiative on Statement of Cash Flow", requires the entity to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and as well as non-cash changes.
- b. SFAS No. 46 (2016 Amendment), "Recognition of Deferred Tax Assets for Unrealized Losses on Income Tax", clarifies:
 - the temporary difference may be deducted when the carrying amount of the debt instrument assets measured at fair value and the fair value is less than its tax base, regardless of whether the entity estimates to recover the carrying amount of the debt instrument through sale or use,
 - to determine whether the taxable profit will be available so that the deductible temporary differences can be utilized, then the valuation of the deductible temporary differences shall be made in accordance with the tax regulations,
 - tax deductions arising from the reversal of deferred tax assets are excluded from future estimated taxable income. Then the entity compares the deductible temporary differences with the estimated future taxable income that does not include the tax deductions resulting from the reversal of the deferred tax asset,
 - some of the entity's assets exceed the carrying amount if there is sufficient evidence that it is probable that the entity will achieve it.
- c. SFAS No. 15 (2017 Adjustment), "Investments in Associates and Joint Ventures", at initial recognition, the entity may choose to measure its investee at fair value on an investment-by-investment basis.
- d. SFAS No. 67 (2017 Adjustment), "Disclosure of Interests in Other Entities", disclosure requirements in SFAS No. 67, other than those described in paragraphs PP 10 - PP 16, are also applied to any interest in an entity classified in accordance with SFAS No. 58 "Non-current Assets Held for Trading and Discontinued Operations".
- e. SFAS No. 13 (2017 Amendment), "Investment Property", amends paragraph 57 to reflect the principle that the usage change includes the assessment on whether the property meets, or stops meeting, the definition of investment property and the supporting evidence that the change of utility has occurred. Moreover, the amendment of SFAS No. 13 regarding the Diversion of Investment Property also recharacterized the list of conditions in paragraph 57(a)-(d) as an incomprehensive list of examples.
- f. SFAS No. 53 (2017 Amendment), "Share-Based Payment, Classification and Measurement of Share-Based Payment Transactions", aims to clarify the accounting treatment regarding the classification and measurement of share-based payment transactions.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ap. Changes in accounting policies and disclosures (continued)

- g. SFAS No. 111, "Wa'd Accounting", regulates the entity that give or receive wa'd not recognizing assets and liabilities that may happen from wa'd when the contract occurs. The SFAS No. 111 is complemented with examples of wa'd application on sharia hedging and repo transactions.

The application of the above SFAS does not result in significant changes to financial reporting and disclosures in the consolidated financial statements.

3. CASH

Cash details are as follows:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Rupiah</u>		<u>27,485,182</u>		<u>23,780,207</u>
<u>Foreign Currencies</u>				
United States Dollar	34,377,372	492,628	24,518,731	332,658
Saudi Arabian Riyal	99,383,717	379,753	44,538,523	161,128
Australian Dollar	13,328,510	141,185	9,523,110	100,890
Singapore Dollar	11,111,537	116,835	12,426,367	126,185
European Euro	5,051,789	84,337	5,057,112	82,108
Malaysian Ringgit	20,224,631	71,782	21,343,230	71,544
Papua New Guinean Kina	15,694,417	68,483	20,351,860	85,875
Japanese Yen	272,302,812	35,235	107,417,978	12,945
Renminbi	15,425,843	33,405	8,298,458	17,291
Great Britain Pound Sterling	703,061	13,263	279,611	5,124
United Arab Emirates Dirham	2,884,110	11,252	2,264,530	8,365
Hong Kong Dollar	2,895,721	5,288	2,558,587	4,442
Swiss Franc	289,329	4,175	165,269	2,297
New Zealand Dollar	410,049	3,977	143,509	1,385
Brunei Dollar	350,965	3,822	196,065	1,977
Thailand Baht	3,835,965	1,659	3,624,785	1,509
Dolar Kanada	149,105	1,616	140,265	1,518
South Korean Won	29,426,061	379	25,910,970	330
New Taiwan Dollar	158,690	75	-	-
Indian Rupee	43,847	9	19,307	4
Vietnam Dong	6,900,310	4	-	-
Philippines Peso	13,000	3	-	-
		<u>1,469,165</u>		<u>1,017,575</u>
Total		<u>28,954,347</u>		<u>24,797,782</u>

As of June 30, 2018 and December 31, 2017, balances denominated in Rupiah include cash in ATMs (Automated Teller Machines) amounting to Rp7,214,062 and Rp8,572,694, and in USD169,895 (full amount) and USD187,828 (full amount).

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4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Angka Penuh)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Angka Penuh)	Rupiah Ekuivalent
Rupiah		51,970,247		47,081,113
United States Dollar	817,913,849	11,720,705	816,242,160	11,074,366
Total		63,690,952		58,155,479

As of June 30, 2018 and December 31, 2017, current accounts with Bank Indonesia based on Sharia banking principles amounted to Rp1,890,602 and Rp1,797,626, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

As of June 30, 2018 and December 31, 2017 GWM Ratio of BRI (Parent Entity) are as follows:

	June 30, 2018	December 31, 2017
Primary GWM - Rupiah	6.71%	6.52%
Secondary GWM - Rupiah	9.18%	15.09%
Primary GWM - Foreign Currency	8.56%	8.15%

The calculation of the GWM ratios as of June 30, 2018 and December 31, 2017 is based on Bank Indonesia regulation (PBI) No. 19/6/PBI/2017 dated April 17, 2017 tentang regarding "Fifth Amendment to Bank Indonesia regulation No. 20/3/PBI/2018 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking".

As of June 30, 2018 and December 31, 2017 based on Bank Indonesia regulation mentioned above, BRI is required to maintain minimum primary GWM of 6.5% in Rupiah, of 8% in foreign currencies. and secondary GWM of 4% in Rupiah.

As of June 30, 2018 and December 31, 2017, in addition to the Primary and Secondary GWM, BRI must also maintain its GWM Loan to Funding (LFR), if the LFR of BRI is less than the Bank Indonesia (BI) lower limit of 80% or exceeds the BI upper limit of 92% with BRI Capital Adequacy Ratio (CAR) is lower than BI CAR incentives of 14% in accordance with PBI No.18/14/PBI/2016, regarding "Fourth Amendment to Bank Indonesia regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking".

BRI has complied with Bank Indonesia regulation regarding the minimum legal reserve requirement as of June 30, 2018 and December 31, 2017.

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5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By Currency:

	June 30, 2018		December 31, 2017	
	Notional amount (full amount)	Rupiah Ekuivalent	Notional amount (full amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>		50,529		64,351
<u>Foreign currencies</u>				
United States Dolar	446,053,202	6,391,942	241,441,855	3,275,762
Renminbi	510,560,281	1,105,636	368,054,977	766,894
Japanese Yen	2,687,706,997	347,776	2,640,107,545	318,172
Singapore Dollar	25,785,983	271,133	32,966,963	334,765
Hong Kong Dollar	149,225,378	272,514	186,764,137	324,261
European Euro	9,085,117	151,671	30,473,101	494,768
Great Britain Pound Sterling	5,736,490	108,213	3,124,408	57,257
Australian Dollar	6,300,254	66,737	5,448,385	57,721
Saudi Arabian Riyal	15,924,239	60,848	33,258,310	120,319
Swiss Franc	3,854,738	55,628	3,707,809	51,543
New Zealand Dollar	2,510,556	24,349	1,624,150	15,674
United Arab Emirates Dirhar	2,492,419	9,724	3,057,362	11,294
Canadian Dollar	656,010	7,110	527,067	5,704
Norwegian Krone	2,356,981	4,150	3,170,148	5,230
Swedish Krone	1,107,240	1,776	439,543	725
Malaysian Ringgit	250,000	887		-
Thailand Bath	1,000,000	433		-
		8,880,526		5,840,089
		8,931,055		5,904,440
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>		3,725		5,000
<u>Foreign currencies</u>				
United States Dolar	10,107,256	144,838	5,669,667	9,844
Hong Kong Dollar	6,806,876	12,431	471,702	6,400
		157,269		16,244
		160,994		21,244
Total		9,092,048		5,925,684

b. By Bank:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Central Asia Tbk	33,712	39,268
PT Bank Danamon Indonesia Tbk	8,200	7,438

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Bank (continued):

	June 30 2018	December 31 2017
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
Citibank, N.A.	5,784	8,583
Bank Exim	1,027	389
PT Bank Pembangunan Daerah Papua	60	431
Others	1,746	8,242
	<u>50,529</u>	<u>64,351</u>
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.	4,126,283	1,647,615
Bank of China, Ltd.	1,093,857	705,571
Standard Chartered Bank	818,259	785,301
HSBC Bank	578,168	197,076
Bank of America, N.A New York, NY	284,025	239,018
Others	1,979,933	2,265,508
	<u>8,880,526</u>	<u>5,840,089</u>
	<u>8,931,055</u>	<u>5,904,440</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	3,204	3,422
PT Bank Negara Indonesia (Persero) Tbk	447	1,466
PT Bank Syariah Mandiri	48	33
PT Bank BNI Syariah	26	79
	<u>3,725</u>	<u>5,000</u>
<u>Foreign currencies</u>		
PT Bank Mandiri (Persero) Tbk	144,176	5,767
PT Bank Negara Indonesia (Persero) Tbk	13,092	10,477
	<u>157,268</u>	<u>16,244</u>
	<u>160,993</u>	<u>21,244</u>
Total	<u>9,092,048</u>	<u>5,925,684</u>

c. By Collectibility:

Current accounts with other banks as of June 30, 2018 and December 31, 2017 are classified as "Current".

d. The average interest rates:

	June 30, 2018	December 31, 2017
Rupiah	0.11%	0.37%
Foreign currencies	1.35%	0.35%

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

- e. BRI assessed allowance for impairment losses on current accounts with other banks individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of June, 30 2018 and December 31, 2017, because management believes that current accounts with other banks are fully collectible.

As of June 30, 2018 and December 31, 2017, there are no current accounts with other banks which are used as collateral.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

- a. By Currency and Type:

	Juni 30, 2018		December 31, 2017	
	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Third parties				
<u>Rupiah</u>				
Bank Indonesia				
Deposit Facility		22,664,668		11,087,984
Term Deposit		-		12,997,000
Deposit Facility Syariah		416,000		1,968,000
		<u>23,080,668</u>		<u>26,052,984</u>
Inter-bank call money				
Citibank, N.A.		400,000		-
PT Bank Mega Tbk		300,000		-
PT Bank				
Danamon				
Indonesia Tbk		200,000		400,000
PT Bank				
KEB Hana				
Indonesia		130,000		30,000
PT BOA - JKT		150,000		
PT Bank OCBC				
NISP Tbk		20,000		300,000
PT Bank				
Sumitomo				
Mitsui				
Indonesia		20,000		180,000
PT Bank MIZUHO - JKT		20,000		
Indonesia Tbk				300,000
PT Bank Aceh				
Syariah		-		200,000
PT Bank				
Riau Kepri		-		150,000

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By Currency and Type (continued):

	June 30, 2018		December 31, 2017	
	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Third parties (continued)				
<u>Rupiah (continued)</u>				
Inter-bank call money (continued)				
PT Bank Mega				
Tbk	-			100,000
PT Bank ANZ				
Indonesia	-			100,000
PT BPD Jawa				
Barat dan				
Banten Tbk	-			110,000
PT BPD Jambi	-			100,000
PT BPD Jawa				
Timur Tbk	-			100,000
PT Bank ICBC				
Indonesia	-			100,000
J.P. Morgan				
Chase Bank				
N.A.	-			100,000
PT BPD				
Kalimantan				
Timur dan				
Kalimantan				
Utara	-			85,000
PT Bank				
Tabungan				
Pensiunan				
Nasional Tbk	-			75,000
PT BPD				
Sulawesi				
Tenggara	-			75,000
PT Bank Pan				
Niaga Tbk	-			50,000
PT BPD				
Sulawesi				
Tengah	-			50,000
PT Bank CTBC				
Indonesia	-			50,000
PT BPD Jawa				
Tengah	-			20,000
		<u>1,240,000</u>		<u>2,675,000</u>

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By Currency and Type (continued):

	June 30, 2018		December 31, 2017	
	Notional amount		Notional amount	
	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Third parties (continued)</u>				
<u>Rupiah (continued)</u>				
Time Deposit				
PT BPD Jawa				
Barat dan				
Banten Tbk		14,796		1,300
PT Bank				
Ganesha Tbk		6,400		4,800
PT Bank				
Tabungan				
Pensiunan				
Nasional Tbk		4,400		-
PT Bank Mega				
Tbk		3,300		-
PT Bank				
Sahabat				
Sampoerna		2,000		2,000
PT Bank				
Bukopin Tbk		300		9,250
PT Bank HSBC				
Indonesia		200		200
PT Bank				
Danamon				
Indonesia Tbk		160		2,200
PT Bank				
Muamalat				
Indonesia Tbk		-		4,800
PT Bank				
Mayapada				
Internasional				
Tbk		-		1,700
PT Bank Riau				
Kepri		-		300
		<u>31,556</u>		<u>26,550</u>
Other Placements				
(Banker's Acceptance)				
PT Bank Mega				
Tbk		250,000		-
Bank Perkreditan Rakyat		7,115		-

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By Currency and Type (continued):

	Juni 30, 2018		December 31, 2017	
	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Third parties (continued)				
<u>Rupiah (continued)</u>				
Other Placements (continued)				
Bank Perkreditan Rakyat Syariah		34		-
PT Bank				
Sumitomo				
Mitsui				
Indonesia		-		400,000
		257,149		400,000
		24,609,373		29,154,534
<u>Foreign Currencies</u>				
United States Dollar				
Bank Indonesia				
Term Deposit	449,787,743	6,445,458	1,399,887,185	18,992,969
		6,445,458		18,992,969
Inter-bank call money				
Wells Fargo				
Bank, N.A.	105,200,000	1,507,534	261,100,000	3,542,474
Federal Reserve				
Bank	96,924,060	1,388,922	101,662,902	1,379,311
Citibank, N.A.	112,850,000	1,617,141	27,530,000	373,513
The Bank of				
New York				
Mellon				
Corporation	96,900,000	1,388,577	52,900,000	717,721
TD Bank, N.A.	304,693	4,366	119,787	1,625
PT Bank HSBC				
Indonesia	7,750,000	111,058		-
		6,017,597		6,014,644.000
Time Deposit				
US Bank				
TD Bank, NA	45,806,656	656,409	9,776,443	132,643
	620,724	8,895	260,475	3,534
		665,304		136,177
Other Placements				
(Banker's Acceptance)				
PT Bank Maybank				
Indonesia Tbk		-	25,000,000	339,188

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By Currency and Type (continued):

	Juni 30, 2018		December 31, 2017	
	Notional amount		Notional amount	
	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Third parties (continued)</u>				
<u>Foreign Currency (continued)</u>				
<u>United States Dollar (continued)</u>				
PT Bank Mega Tbk		-	10,000,000	135,675
		-		474,863
		13,128,360		25,618,653
		37,737,733		54,773,187
<u>Related parties (Notes 44)</u>				
<u>Rupiah</u>				
<u>Inter-bank call money</u>				
PT Bank Mandiri (Persero) Tbk		20,000		-
PT Bank Tabungan Negara (Persero) Tbk		20,000		-
		40,000		-
<u>Time Deposit</u>				
PT Bank Mandiri (Persero) Tbk		71,300		43,400
PT Bank Tabungan Negara (Persero) Tbk (UUS)		17,100		8,550
PT Bank Tabungan Negara (Persero) Tbk		19,050		7,200
PT Bank BNI Syariah		2,000		2,000
		109,450		61,150
		149,450		61,150
<u>Foreing Currencies</u>				
<u>Other</u>				
<u>Placements (Banker's Acceptance)</u>				
<u>Lembaga</u>				
Pembiayaan Ekspor Indonesia		-	10,000,000	135,675

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By Currency and Type (continued):

	Juni 30, 2018		December 31, 2017	
	Notional amount		Notional amount	
	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Related parties				
(Notes 44) (continued)				
<u>Foreign Currencies (continued)</u>				
Other placements				
(Banker's Acceptance) (continued)				
PT Bank Negara				
Indonesia				
(Persero) Tbk		-	10,000,000	135,675
		-		271,350
		149,450		332,500
Total		37,887,183		55,105,687

b. By Time Period

The classifications of placements based on their remaining period to maturity are as follows:

	June 30 2018	December 31 2017
Third parties		
<u>Rupiah</u>		
≤ 1 month	24,589,373	28,524,534
> 1 month - 3 month	20,000	630,000
	<u>24,609,373</u>	<u>29,154,534</u>
<u>Foreign Currencies</u>		
≤ 1 month	13,128,360	25,008,603
> 1 month - 3 month	-	270,863
> 3 month - 1 year	-	339,187
	<u>13,128,360</u>	<u>25,618,653</u>
	<u>37,737,733</u>	<u>54,773,187</u>
Related parties (Note 44)		
<u>Rupiah</u>		
≤ 1 month	149,450	61,150
	<u>149,450</u>	<u>61,150</u>
<u>Foreign Currencies</u>		
> 1 month - 3 month	-	271,350
	-	271,350
	<u>149,450</u>	<u>332,500</u>
Total	37,887,183	55,105,687

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c. By Collectibility:

All placements with Bank Indonesia and other banks were classified as "Current" as of June 30, 2018 and December 31, 2017.

d. The average interest rates are as follows:

	<u>Juni 30 2018</u>	<u>December 31 2017</u>
<u>Rupiah</u>		
Placement with Bank Indonesia	4.50%	5.83%
Placement with other banks	4.64%	5.13%
<u>Foreign Currencies</u>		
Placement with Bank Indonesia	2.01%	0.69%
Placement with other banks	2.29%	1.40%

BRI assessed placements with Bank Indonesia and other banks individually based on whether an objective evidence of impairment exists.

As of June 30, 2018 and December 31, 2017 there are no placements with Bank Indonesia and other banks which are impaired nor restricted.

Management believes that no allowance for impairment losses is necessary as of June 30, 2018 and December 31, 2017 because management believes that placements with Bank Indonesia and other banks are fully collectible.

7. SECURITIES

a. By Purpose, Currency and Type:

	<u>June 30, 2018</u>		<u>December 31, 2017</u>	
	<u>Notional amount</u>		<u>Notional amount</u>	
	<u>Foreign Currency/ (Full Amount)</u>	<u>Rupiah Ekuivalent</u>	<u>Foreign Currency/ (Full Amount)</u>	<u>Rupiah Ekuivalent</u>
<u>Fair value trough</u>				
<u>profit or loss</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Deposit Certificates				
of Bank Indonesia		476,186		385,040
Mutual Funds		1,037,349		812,205
Certificates of Bank				
Indonesia				
Syariah (SBIS)		7,969		-
Subordinated bonds		42,048		50,976
Bonds		29,212		35,833
Others		188,629		134,459
		<u>1,781,393</u>		<u>1,418,513</u>

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7. SECURITIES (continued)

a. By Purpose, Currency and Type (continued):

	Juni 30, 2018		December 31, 2017	
	Notional amount		Notional amount	
	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Fair value through</u>				
<u>profit or loss (continued)</u>				
<u>Third parties (continued)</u>				
<u>United states Dollar</u>				
Mutual fund	-	-	542,921	7,366
 <u>Related parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Government bonds		957,107		167,838
Mutual fund		21,948		21,264
Bonds		4,534		35,545
Others		-		82,647
		<u>983,589</u>		<u>307,294</u>
 <u>United states Dollar</u>				
Government bonds		-	1,989,302	26,990
Mutual fund		-	154,753	2,100
		-		29,090
		<u>2,764,982</u>		<u>1,762,263</u>
 <u>Available for sale</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Deposit Certificates of Bank Indonesia		19,187,575		35,482,251
Bonds		2,891,247		2,994,315
Mutual fund		1,298,720		1,086,590
Negotiable Certificate of Deposits		802,437		686,354
Subordinated bonds		643,211		796,981
Others		343,199		103,528
		<u>25,166,389</u>		<u>41,150,019</u>
 <u>United States Dollar</u>				
Certificates of Bank Indonesia	124,191,789	1,779,668	445,640,048	6,046,221
Bonds	31,839,578	456,261	32,756,717	444,427
U.S Treasury Bonds	19,427,743	278,400	17,316,502	234,941
		<u>2,514,329</u>		<u>6,725,589</u>

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7. SECURITIES (continued)

a. By Purpose, Currency and Type (continued):

	June 30, 2018		December 31, 2017	
	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Available for sale (continued)</u>				
<u>Third parties (continued)</u>				
<u>Singapore Dollar</u>				
Monetary				
Authority of				
Singapore				
(MAS)				
Bills	43,427,142	456,625	42,460,236	431,165
Singapore Government				
Securities	17,572,320	184,768	18,167,760	184,486
		<u>641,393</u>		<u>615,651</u>
<u>Related parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Government Bonds		54,888,214		50,412,771
Bonds		6,007,366		6,078,903
Mutual Fund		405,525		418,278
Medium-Term Notes		90,040		207,000
Negotiable Certificate				
of Deposits		124,371		77,807
Others		-		102,264
		<u>61,515,516</u>		<u>57,297,023</u>
<u>United states Dollar</u>				
Government Bonds	1,533,033,992	21,968,377	1,739,665,407	23,602,910
Bonds	64,472,871	923,896	53,137,755	720,946
		<u>22,892,273</u>		<u>24,323,856</u>
<u>European Euro</u>				
Government Bonds	48,315,464	806,600	50,205,906	815,155
		<u>113,536,500</u>		<u>130,927,293</u>
<u>Held to maturity</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Sharia Certificates				
of Bank Indonesia				
(SBIS)		1,000,000		250,000
Bonds		922,169		1,182,953
Negotiable Certificate				
of Deposits		-		106,968

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7. SECURITIES (continued)

a. By Purpose, Currency and Type (continued):

	June 30, 2018		December 31, 2017	
	Notional amount Foreign Currency/ (Full Amount)	Ekuivalen Rp	Notional amount Foreign Currency/ (Full Amount)	Ekuivalen Rp
<u>Held to</u>				
<u>maturity (continued)</u>				
<u>Third parties (continued)</u>				
<u>Rupiah (continued)</u>				
Medium-Term Notes		50,000		150,000
Subordinated Bonds		20,000		20,000
Deposit Certificate of Bank Indonesia		21,115		597,476
Others		17,071		-
		<u>2,030,355</u>		<u>2,307,397</u>
<u>United states Dollar</u>				
Others	65,371,323	936,771	37,463,410	508,285
		<u>936,771</u>		<u>508,285</u>
<u>Related parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Government bonds		29,244,455		30,170,232
Bonds		2,702,683		3,027,090
Negotiable Certificate of Deposits		-		155,453
Medium-Term Notes		200,000		-
		<u>32,147,138</u>		<u>33,352,775</u>
<u>United states Dollar</u>				
Government bonds	1,220,679,717	17,492,340	1,302,517,859	17,671,911
Bonds	14,341,394	205,512	14,344,879	194,624
		<u>17,697,852</u>		<u>17,866,535</u>
<u>European Eropa</u>				
Government bonds	11,985,997	200,100	12,003,295	194,888
		<u>53,012,216</u>		<u>54,229,880</u>
Total		<u>169,313,698</u>		<u>186,919,436</u>
Less allowance for impairment losses		<u>(758)</u>		<u>(758)</u>
Net		<u>169,312,940</u>		<u>186,918,678</u>

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7. SECURITIES (continued)

b. By Collectibility:

As of June 30, 2018 and December 31, 2017, all securities are classified as 'Current', except for Bonds I Year 2003 issued by PT Great River International which is classified as 'Loss'. The bond is owned by PT Asuransi BRI Life (subsidiary) with a nominal value of Rp758, and has already matured on October 13, 2008. BRI Life management has established allowance for impairment losses amounting to Rp758 as of June 30, 2018 and December 31, 2017.

c. By Remaining Period to Maturity:

The classifications of securities based on their remaining period to maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	13,345,598	43,039,517
> 1 month - 3 month	5,208,849	782,535
> 3 month - 1 month	7,005,181	437,140
> 1 year	3,418,509	616,737
	<u>28,978,137</u>	<u>44,875,929</u>
<u>Foreign currencies</u>		
≤ 1 month	1,599,963	7,507,182
> 1 month - 3 month	930,314	206,371
> 3 month - 1 year	833,427	143,338
> 1 year	728,789	-
	<u>4,092,493</u>	<u>7,856,891</u>
	<u>33,070,630</u>	<u>52,732,820</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	1,397,868	57,982,462
> 1 month - 3 month	2,213,109	4,557,673
> 3 month - 1 year	20,911,444	2,091,387
> 1 year	70,123,822	26,325,570
	<u>94,646,243</u>	<u>90,957,092</u>
<u>Foreign currencies</u>		
≤ 1 month	-	26,127,056
> 3 month - 1 year	11,996,992	3,161,410
> 1 year	29,599,833	13,941,058
	<u>41,596,825</u>	<u>43,229,524</u>
	<u>136,243,068</u>	<u>134,186,616</u>
Total	169,313,698	186,919,436
Less allowance for Impairment losses	(758)	(758)
Net	<u>169,312,940</u>	<u>186,918,678</u>

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7. SECURITIES (continued)

d. By Type and Issuer:

d1. Government Bond

Government bonds represent bonds issued by the government of a country in connection with the management of Government debentures portfolio, such as Government Debentures (SUN), Government Treasury Bills (SPN) and Government bonds issued in foreign currencies which are obtained from the primary and secondary markets, including U.S. Treasury Bonds and Singapore Government Securities. The details of Government bonds are as follows:

	Fair Value/Carrying Value	
	Juni 30	December 31
	2018	2017
<u>Fair value through</u>		
<u>profit or loss</u>		
<u>Rupiah</u>		
Fixed Rate	155,293	70,418
Republic of Indonesia Bonds	32,164	53,904
Sukuk Government Bonds	53,963	43,516
Government Treasury Bills	715,687	-
	<u>957,107</u>	<u>167,838</u>
<u>Foreign currencies</u>		
Republic of Indonesia Bonds	-	26,990
	<u>-</u>	<u>26,990</u>
	<u>957,107</u>	<u>194,828</u>
<u>Available for sale</u>		
<u>Rupiah</u>		
Fixed Rate	31,840,425	31,565,767
Sukuk Government Bonds	13,014,263	9,383,086
Government Treasury Bills	8,764,192	8,568,221
Republic of Indonesia Bonds	1,269,334	895,697
	<u>54,888,214</u>	<u>50,412,771</u>
<u>Foreign currencies</u>		
Fixed Rate Dolar Amerika	17,579,109	19,407,161
Sukuk Government Bonds	4,389,268	4,195,749
European Euro Government Bonds	806,600	815,155
U.S Treasury Bonds	278,400	234,941
Singapore Government Securities (SIGB)	184,768	184,486
	<u>23,238,145</u>	<u>24,837,492</u>
	<u>78,126,359</u>	<u>75,250,263</u>
<u>Held to maturity</u>		
<u>Rupiah</u>		
Fixed Rate	15,673,875	15,772,583
Sukuk Government Bonds	11,017,601	12,676,512
Government Treasury Bills	2,419,819	1,587,418
Republic of Indonesia Bonds	133,160	133,719
	<u>29,244,455</u>	<u>30,170,232</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d1. Government Bond (continued)

	Fair Value/Carrying Value	
	June 30 2018	December 31 2017
Held to maturity (continued)		
<u>Foreign currencies</u>		
Sukuk Government Bonds	12,101,067	11,524,572
Fixed Rate	5,391,273	6,147,339
European Euro Government Bonds	200,100	194,888
	<u>17,692,440</u>	<u>17,866,799</u>
	<u>46,936,895</u>	<u>48,037,031</u>
Total	<u>126,020,361</u>	<u>123,482,122</u>

Information regarding interest rates and maturity date are as follows:

	June 30, 2018		December 31, 2017	
	Annual Interest Rate (%)	Maturity Date	Annual Interest Rate (%)	Maturity Date
<u>Fair value through profit or loss</u>				
<u>Rupiah</u>				
<u>Fixed Rate</u>				
FR0059	7.00	May 15, 2027	7.00	May 15, 2027
FR0063	5.63	May 15, 2023	5.63	May 15, 2023
FR0064	6.13	May 15, 2028	6.13	May 15, 2028
FR0065	6.63	May 15, 2033	6.63	May 15, 2033
FR0069	7.88	April 15, 2019	-	-
FR0075	7.50	May 15, 2038	7.50	May 15, 2038
<u>Republic of Indonesia Bonds</u>				
ORI013	6.60	October 15, 2019	6.60	October 15, 2019
ORI014	5.85	October 15, 2020	5.85	October 15, 2020
<u>Sukuk Government Bond</u>				
PBS005	6.75	April 15, 2043	6.75	April 15, 2043
PBS006	8.25	September 15, 2020	8.25	September 15, 2020
PBS011	8.75	August 15, 2023	8.75	August 15, 2023
PBS012	8.88	November 15, 2031	8.88	November 15, 2031
PBS013	6.25	May 15, 2019	6.25	May 15, 2019
SR009	6.90	March 10, 2020	6.90	March 10, 2020
Government Treasury Bills	varies	varies	varies	varies
<u>Available for sale</u>				
<u>Rupiah</u>				
<u>Fixed Rate</u>				
FR0040	11.00	September 15, 2025	11.00	September 15, 2025
FR0052	10.50	August 15, 2030	10.50	August 15, 2030
FR0053	8.25	July 15, 2021	8.25	July 15, 2021

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d1. Government Bond (continued)

Information regarding interest rates and maturity date are as follows (continued):

	June 30, 2018		December 31, 2017	
	Annual Interest Rate (%)	Maturity Date	Annual Interest Rate (%)	Maturity Date
<u>Available for sale (continued)</u>				
<u>Rupiah (continued)</u>				
<u>Fixed Rate (continued)</u>				
FR0059	7.00	May 15, 2027	7.00	May 15, 2027
FR0061	7.00	May 15, 2022	7.00	May 15, 2022
FR0063	5.63	May 15, 2023	5.63	May 15, 2023
FR0064	6.13	May 15, 2028	6.13	May 15, 2028
FR0065	6.63	May 15, 2033	6.63	May 15, 2033
FR0074	7.50	August 15, 2032	7.50	August 15, 2032
FR0075	7.50	May 15, 2038	7.50	May 15, 2038
<u>Sukuk Government Bond</u>				
PBS002SL	5.45	January 15, 2022	5.45	January 15, 2022
PBS003	6.00	January 15, 2027	6.00	January 15, 2027
PBS004	6.10	February 15, 2037	6.10	February 15, 2037
PBS006	8.25	September 15, 2020	8.25	September 15, 2020
PBS011	8.75	August 15, 2023	8.75	August 15, 2023
PBS012	8.88	November 15, 2031	8.88	November 15, 2031
PBS013	6.25	May 15, 2019	6.25	May 15, 2019
PBS014	6.50	May 15, 2021	6.50	May 15, 2021
PBS0016 SL	6.25	March 15, 2020	-	-
PBS0017 SL	6.13	October 15, 2025	-	-
SR008	8.30	March 10, 2019	8.30	March 10, 2019
SR009	6.90	March 10, 2020	6.90	March 10, 2020
Government Treasury Bills	varies	varies	varies	varies
<u>Republic of Indonesia Bonds</u>				
ORI012	9.00	October 15, 2018	9.00	October 15, 2018
ORI013	6.60	October 15, 2019	6.60	October 15, 2019
ORI014	5.85	October 15, 2020	5.85	October 15, 2020
<u>Foreign currencies</u>				
<u>Fixed Rate United states Dollar</u>				
RI0122	3.70	January 8, 2022	3.70	January 8, 2022
RI0521	4.88	May 5, 2021	4.88	May 5, 2021
RI0319	11.63	March 4, 2019	11.63	March 4, 2019
RI0320	5.88	March 13, 2020	5.88	March 13, 2020
RI0422	3.75	April 25, 2022	3.75	April 25, 2022
RI0125	4.13	January 15, 2025	4.13	January 15, 2025
RI0727	3.85	July 18, 2027	3.85	July 18, 2027
RI0126	4.75	January 8, 2026	4.75	January 8, 2026
RI1023	5.38	October 17, 2023	5.38	October 17, 2023
USDFR0002	4.05	June 24, 2026	4.05	June 24, 2026
U.S. Treasury Bonds	varies	varies	varies	varies

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d1. Government Bond (continued)

Information regarding interest rates and maturity date are as follows (continued):

	June 30, 2018		December 31, 2017	
	Annual Interest Rate (%)	Maturity Date	Annual Interest Rate (%)	Maturity Date
<u>Available for sale (continued)</u>				
<u>Foreign currencies (continued)</u>				
European Euro Government Bonds				
RIEUR0275	3.38	July 30, 2025	3.38	July 30, 2025
RIEUR0623	2.63	June 14, 2023	2.63	June 14, 2023
RIEUR0721	2.88	July 8, 2021	2.88	July 8, 2021
RIEUR0724	2.15	July 18, 2024	2.15	July 18, 2024
Singapore Government Securities				
SIGB 060126	2.13	June 1, 2026	2.13	June 1, 2026
Sukuk Government Bond				
INDOIS 18	4.00	November 21, 2018	4.00	November 21, 2018
INDOIS 19 SL	6.13	March 15, 2019	6.13	March 15, 2019
INDOIS 21	3.40	March 31, 2021	3.40	March 31, 2021
INDOIS 21A	3.40	March 29, 2021	3.40	March 29, 2021
INDOIS 22	3.40	March 29, 2022	3.40	March 29, 2022
INDOIS 22 SL	3.30	November 21, 2022	3.30	November 21, 2022
INDOIS 24	4.35	September 10, 2024	4.35	September 10, 2024
INDOIS 25	4.33	May 28, 2025	4.33	May 28, 2025
INDOIS 26	4.55	March 29, 2026	4.55	March 29, 2026
INDOIS 27 SL	4.15	March 29, 2027	4.15	March 29, 2027
<u>Held to maturity</u>				
<u>Rupiah</u>				
Fixed Rate				
FR0034	12.80	June 15, 2021	12.80	June 15, 2021
FR0043	10.25	July 15, 2022	10.25	July 15, 2022
FR0045	9.75	May 15, 2037	9.75	May 15, 2037
FR0047	10.00	February 15, 2028	10.00	February 15, 2028
FR0053	8.25	July 15, 2021	8.25	July 15, 2021
FR0056	8.38	September 15, 2026	8.38	September 15, 2026
FR0059	7.00	May 15, 2027	7.00	May 15, 2027
FR0065	6.63	May 15, 2033	6.63	May 15, 2033
FR0069	7.88	April 15, 2019	7.88	April 15, 2019
FR0070	8.38	March 15, 2024	8.38	March 15, 2024
Sukuk Government Bond				
SR007	8.25	March 11, 2018	January 8, 1900	March 11, 2018
SR008	8.30	March 10, 2019	January 8, 1900	March 10, 2019
SR009	6.90	March 10, 2020	January 6, 1900	March 10, 2020
PBS002	5.45	January 15, 2022	January 5, 1900	January 15, 2022
PBS006	8.25	September 15, 2020	January 8, 1900	September 15, 2020
PBS011	8.75	August 15, 2023	January 8, 1900	August 15, 2023
PBS013	6.25	May 15, 2019	6.25	May 15, 2019

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d1. Government Bond (continued)

Information regarding interest rates and maturity date are as follows (continued):

	June 30, 2018		December 31, 2017	
	Annual Interest Rate (%)	Maturity Date	Annual Interest Rate (%)	Maturity Date
<u>Held to maturity (continued)</u>				
<u>Rupiah (continued)</u>				
Sukuk Government Bond (continued)				
PBS014	6.50	May 15, 2021	6.50	May 15, 2021
PBS016	6.25	March 15, 2020	-	-
IFR0006	10.25	March 15, 2020	10.25	March 15, 2020
IFR0007	10.25	January 15, 2025	10.25	January 15, 2025
Government Treasury Bills	varies	varies	varies	varies
Republic of Indonesia Bonds				
ORI012	9.00	October 15, 2018	9.00	October 15, 2018
ORI013	6.60	October 15, 2019	6.60	October 15, 2019
<u>Foreign currencies</u>				
Sukuk Government Bond				
INDOIS 18	4.00	November 21, 2018	4.00	November 21, 2018
INDOIS 19	6.13	March 15, 2019	6.13	March 15, 2019
INDOIS 19S	6.13	March 15, 2019	6.13	March 15, 2019
INDOIS 21	3.40	March 31, 2021	3.40	March 31, 2021
INDOIS 21A	3.40	March 29, 2021	3.40	March 29, 2021
INDOIS 22	3.40	March 29, 2022	3.40	March 29, 2022
INDOIS 24	4.35	September 10, 2024	4.35	September 10, 2024
INDOIS 25	4.33	May 28, 2025	4.33	May 28, 2025
INDOIS 26	4.55	March 29, 2026	4.55	March 29, 2026
Fixed Rate				
RI0124	5.88	January 15, 2024	5.88	January 15, 2024
RI0125	4.12	January 15, 2025	4.12	January 15, 2025
RI0126	4.75	January 8, 2026	4.75	January 8, 2026
RI0320	5.88	March 13, 2020	5.88	March 13, 2020
RI0422	3.75	April 25, 2022	3.75	April 25, 2022
RI0521	4.88	May 5, 2021	4.88	May 5, 2021
RI1023	5.38	October 17, 2023	5.38	October 17, 2023
RI0319	11.63	March 4, 2019	11.63	March 4, 2019
RI0237	6.63	February 17, 2037	6.63	February 17, 2037
USDFR0002	4.05	June 24, 2026	4.05	June 24, 2026
European Euro Government Bonds				
RIEUR0623	2.62	June 14, 2023	2.62	June 14, 2023
RIEUR0721	2.87	July 8, 2021	2.87	July 8, 2021
RIEUR0725	3.37	July 30, 2025	3.37	July 30, 2025

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d1. Government Bond (continued)

Information regarding interest rates and maturity date are as follows (continued):

The market values of Government bonds classified as "Fair Value through Profit or Loss" and "Available for Sale" ranged from 79.22% to 134.38% and 84.48% to 149.63% as of June 30, 2018 and December 31, 2017 respectively.

d2. Bonds

	Fair Value/Carrying Value	
	June 30 2018	December 31 2017
<u>Fair value through profit or loss</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Summarecon Agung Tbk	3,054	3,120
PT Surya Artha Nusantara Finance	-	15,335
PT Medco Energi Internasional Tbk	7,169	7,491
PT Adira Dinamika Multi Finance Tbk	7,093	7,248
PT Indosat Tbk	11,896	2,639
	<u>29,212</u>	<u>35,833</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Perusahaan Listrik Negara (Persero)	4,534	4,912
PT Pupuk Indonesia (Persero)	-	30,633
	<u>4,534</u>	<u>35,545</u>
	<u>33,746</u>	<u>71,378</u>
<u>Available for sale</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank OCBC NISP Tbk	354,910	404,543
PT Bank Pan Indonesia Tbk	307,248	264,344
PT Adira Dinamika Multi Finance Tbk	255,485	294,642
PT Astra Sedaya Finance	259,674	232,123
PT Bank CIMB Niaga Tbk	239,318	274,488
PT Bank Maybank Indonesia Tbk	167,885	-
PT Toyota Astra Financial Services	162,056	119,100
PT Maybank Indonesia Finance	119,738	187,393
PT Bank UOB Indonesia	114,446	156,774
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	85,652	90,165
Others	824,835	970,743
	<u>2,891,247</u>	<u>2,994,315</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

	Fair Value/Carrying Value	
	Juni 30	December 31
	2018	2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.	85,581	80,834
Alibaba Group Holding Ltd.	70,190	69,971
Oversea-Chinese Banking Corporation	57,212	56,307
Xerox Corporation	41,134	40,117
Macy's Inc.	27,718	26,108
Province of Ontario	13,431	12,987
Bank of America	10,439	10,245
Wells Fargo & Company	10,045	9,774
The Federal Home Loan Mortgage Corporation	8,731	8,436
Citigroup Inc.	7,739	10,164
Lainnya	124,041	119,484
	<u>456,261</u>	<u>444,427</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Lembaga Pembiayaan Ekspor Indonesia	1,038,260	1,126,131
PT Bank Tabungan Negara (Persero) Tbk	740,164	783,305
PT Sarana Multigriya Finansial (Persero)	633,150	450,181
PT Bank Mandiri (Persero) Tbk	619,083	682,133
PT Bank Negara Indonesia (Persero) Tbk	420,342	461,890
PT Indonesia Power	347,974	383,547
PT Pegadaian (Persero)	313,116	299,507
PT Perusahaan Listrik Negara (Persero)	309,350	280,192
PT Waskita Karya (Persero) Tbk	302,853	320,350
PT Jasa Marga (Persero) Tbk	247,290	318,613
Lainnya	1,035,784	973,054
	<u>6,007,366</u>	<u>6,078,903</u>
<u>Foreign currencies</u>		
PT Perusahaan Listrik Negara (Persero)	363,232	237,779
PT Pertamina (Persero)	354,442	352,610
PT Pelabuhan Indonesia III (Persero)	113,056	36,918
PT Perusahaan Gas Negara (Persero) Tbk	79,499	79,766
PT Pelabuhan Indonesia II (Persero)	13,667	13,873
	<u>923,896</u>	<u>720,946</u>
	<u>10,278,770</u>	<u>10,238,591</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

	Fair Value/Carrying Value	
	June 30	December 31
	2018	2017
<u>Held to maturity</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk	185,392	185,441
PT Indosat (Persero) Tbk	164,946	114,009
PT Bank Maybank Indonesia Tbk	125,000	75,000
PT Bank OCBC NISP Tbk	85,019	145,046
PT Bank CIMB Niaga Tbk	51,053	51,118
PT Indonesia Infrastructure Finance	50,000	49,998
PT Bank UOB Indonesia	40,156	85,242
PT Toyota Astra Financial Services	33,000	32,998
PT Astra Sedaya Finance	28,000	28,020
PT Adira Dinamika Multi Finance Tbk	10,000	20,012
Lain-lain	149,603	396,069
	<u>922,169</u>	<u>1,182,953</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)	940,163	940,237
PT Bank Tabungan Negara (Persero) Tbk	506,376	506,341
Lembaga Pembiayaan Ekspor Indonesia	240,156	260,186
PT Telekomunikasi Indonesia (Persero) Tbk	237,111	237,256
PT Jasa Marga (Persero) Tbk	114,678	114,864
PT Sarana Multigriya Finansial (Persero)	100,000	30,000
PT Aneka Tambang (Persero) Tbk	95,000	95,000
PT Mandiri Tunas Finance	90,000	89,996
PT Perusahaan Listrik Negara (Persero)	68,884	68,884
PT Pegadaian (Persero)	59,105	328,125
Lain-lain	251,210	356,201
	<u>2,702,683</u>	<u>3,027,090</u>
<u>Foreign currencies</u>		
PT Perusahaan Listrik Negara (Persero)	58,118	55,314
PT Perusahaan Gas Negara (Persero) Tbk	56,814	53,727
PT Pelabuhan Indonesia II (Persero)	37,231	35,126
PT Pertamina (Persero)	30,359	28,646
PT Pelabuhan Indonesia III (Persero)	22,990	21,811
	<u>205,512</u>	<u>194,624</u>
	<u>3,830,364</u>	<u>4,404,667</u>
Total	<u>14,142,880</u>	<u>14,714,636</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows:

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Fair value through profit or loss</u>		
<u>Third parties</u>		
PT Summarecon Agung Tbk		
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	10.85	10.85
Sukuk Ijarah Berkelanjutan I Phase II Year 2014	11.50	11.50
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	11.00	11.00
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014 Series B	10.30	10.30
Berkelanjutan II Phase III Year 2018 Series E	8.70	-
PT Medco Energi Internasional Tbk		
Berkelanjutan II Phase I Year 2016 Series B	11.30	11.30
<u>Related parties (Note 44)</u>		
PT Perusahaan Listrik Negara (Persero)		
Sukuk Ijarah V Year 2010 Series B	10.40	10.40
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	8.00	8.00
Sukuk Ijarah Berkelanjutan II Phase II Year 2017 Series C	8.70	-
<u>Available for sale</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	8.25	8.25
Berkelanjutan II Phase II Year 2017 Series C	7.70	7.70
Berkelanjutan II Phase IV Year 2018 Series B	6.90	-
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	11.00	11.00
Berkelanjutan III Phase I Year 2015 Series A	9.50	9.50
Berkelanjutan III Phase II Year 2015 Series B	9.50	9.50
Berkelanjutan III Phase II Year 2015 Series C	10.25	10.25
Berkelanjutan III Phase IV Year 2016 Series B	8.75	8.75
Berkelanjutan III Phase V Year 2017 Series B	8.60	8.60
Berkelanjutan III Phase V Year 2017 Series C	8.90	8.90
Berkelanjutan III Phase VI Year 2017 Series B	8.10	8.10
Berkelanjutan III Phase VI Year 2017 Series C	8.40	-
Berkelanjutan IV Phase I Year 2017 Series C	7.55	7.55
Berkelanjutan IV Phase II Year 2018 Series D	7.50	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016 Series C	8.25	8.25
Berkelanjutan II Phase II Year 2017 Series B	7.70	7.70
Berkelanjutan II Phase II Year 2017 Series C	8.15	8.15
Berkelanjutan II Phase III Year 2017 Series C	7.75	-
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	9.15	9.15
Berkelanjutan II Phase II Year 2016	8.75	8.75
Berkelanjutan II Phase III Year 2018	7.60	-
PT Astra Sedaya Finance		
Berkelanjutan III Phase IV Year 2017 Series A	6.25	6.25
Berkelanjutan III Phase IV Year 2017 Series B	7.50	7.50
Berkelanjutan III Phase II Year 2016 Series B	7.95	7.95
Berkelanjutan II Phase V Year 2015 Series B	9.25	9.25
Berkelanjutan III Phase I Year 2016 Series B	8.50	8.50
Berkelanjutan III Phase III Year 2017 Series C	8.75	8.75
Berkelanjutan III Phase III Year 2017 Series B	8.50	8.50
Berkelanjutan IV Phase I Year 2018 Series B	7.50	-
PT Maybank Indonesia Finance		
Berkelanjutan I Phase II Year 2016 Series A	9.10	9.10
Berkelanjutan I Phase III Year 2016 Series A	8.30	8.30
Berkelanjutan I Phase IV Year 2017 Series B	7.90	-
Berkelanjutan II Phase I Year 2018 Series A	7.75	-
PT Bank UOB Indonesia		
Berkelanjutan I Phase I Year 2016 Series B	8.00	8.00
Phase I Year 2015 Series C	9.60	9.60
Berkelanjutan I Phase I Year 2016 Series C	8.25	8.25
PT Toyota Astra Financial Services		
Berkelanjutan I Phase III Year 2015 Series B	9.50	9.50
Berkelanjutan II Phase I Year 2016 Series B	8.40	8.40
Berkelanjutan II Phase II Year 2017 Series B	8.50	8.50
Berkelanjutan II Phase III Year 2016 Series B	9.15	-
Berkelanjutan II Phase IV Year 2016 Series B	7.95	-
Berkelanjutan III Phase I Year 2017 Series B	8.45	-
Berkelanjutan III Phase III Year 2018 Series B	7.45	-
PT Bank Maybank Indonesia Tbk		
Berkelanjutan II Phase II Year 2018	7.15	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	8.25	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Berkelanjutan I Phase I Year 2017 Series B	8.15	8.15
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.		
JP Morgan Chase Bank, N.A.	4.95	4.95
JP Morgan Chase Bank, N.A.	3.20	3.20
JP Morgan Chase Bank, N.A.	2.65	-
JP Morgan Chase Bank, N.A.	3.13	-
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	3.60	3.60
Oversea-Chinese Banking Corporation OCBCSP 061924	4.25	4.25
Xerox Corporation		
Xerox Corporation	3.80	3.80
Macy's Inc.		
Macy's Inc.	3.63	3.63
Province of Ontario		
Province of Ontario	4.40	4.40
Bank of America		
Bank of America	3.30	3.30
Bank of America	3.00	3.00
Bank of America	3.50	3.50
Citigroup Inc.		
Citigroup Inc.	3.52	-
Citigroup Inc.	3.75	3.75
Wells Fargo & Company		
Wells Fargo & Company	2.60	2.60
Wells Fargo & Company	3.50	3.50
The Federal Home Loan Mortgage Corporation		
The Federal Home Loan Mortgage Corporation	2.38	2.38
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Lembaga Pembiayaan Ekspor Indonesia Berkelanjutan II Phase V Year 2015 Series C	9.50	9.50

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
<u>Lembaga Pembiayaan Ekspor Indonesia (lanjutan)</u>		
Berkelanjutan III Phase III Year 2016 Series B	7.85	7.85
Berkelanjutan III Phase III Year 2016 Series D	8.50	8.50
Berkelanjutan III Phase IV Year 2017 Series B	8.40	8.40
Berkelanjutan III Phase V Year 2017 Series C	8.25	8.25
Berkelanjutan III Phase I Year 2016 Series B	8.20	8.20
Berkelanjutan III Phase I Year 2016 Series C	8.70	8.70
Berkelanjutan II Phase VI Year 2015 Series C	9.50	9.50
Berkelanjutan III Phase II Year 2016 Series B	7.95	7.95
Berkelanjutan III Phase III Year 2016 Series C	8.20	8.20
Berkelanjutan III Phase IV Year 2017 Series C	8.90	8.90
Berkelanjutan II Phase VII Year 2016 Series C	9.60	9.60
Berkelanjutan II Phase I Year 2014 Series D	9.75	9.75
Berkelanjutan III Phase V Year 2017 Series B	7.90	-
Berkelanjutan III Phase VI Year 2018 Series B	6.70	-
<u>PT Bank Tabungan Negara (Persero) Tbk</u>		
Berkelanjutan II Phase I Year 2015 Series A	9.63	9.63
Berkelanjutan II Phase I Year 2015 Series B	9.88	9.88
Berkelanjutan II Phase I Year 2015 Series C	10.00	10.00
Berkelanjutan II Phase II Year 2016 Series A	8.20	8.20
Berkelanjutan II Phase II Year 2016 Series B	8.75	8.75
Berkelanjutan III Phase I Year 2017 Series A	8.30	8.30
Berkelanjutan III Phase I Year 2017 Series B	8.50	8.50
Phase XIV Year 2010	10.25	10.25
Berkelanjutan I Phase II Year 2013	7.90	7.90
Berkelanjutan XV Year 2011	9.50	-
<u>PT Bank Mandiri (Persero) Tbk</u>		
Berkelanjutan I Phase II Year 2017 Series A	8.00	8.00
Berkelanjutan I Phase II Year 2017 Series B	8.50	8.50
Berkelanjutan I Phase I Year 2016 Series A	7.95	7.95
<u>PT Bank Negara Indonesia (Persero) Tbk</u>		
Berkelanjutan I Phase I Year 2017	8.00	8.00
<u>PT Sarana Multigriya Finansial (Persero)</u>		
Berkelanjutan III Phase VI Year 2016	8.60	8.60
Berkelanjutan III Phase VII Year 2017 Series B	8.40	8.40
Berkelanjutan IV Phase I Year 2017 Series B	7.80	7.80
Berkelanjutan III Phase IV Year 2016 Series B	9.13	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Related parties (Notes 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Sarana Multigriya Finansial (Persero) (continued)		
Berkelanjutan III Phase V Year 2016 Series B	8.20	-
Berkelanjutan IV Phase III Year 2018 Series C	6.95	-
Berkelanjutan IV Phase IV Year 2018 Series B	6.95	-
PT Indonesia Power		
Eba Danareksa I Year 2017 Kelas A	8.02	8.02
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase II Year 2014 Series T	9.85	9.85
Phase XIV Year 2010 Series JM-10 T	9.35	9.35
Komodo 11122020	7.50	7.50
PT Pegadaian (Persero)		
Phase X Year 2003 Series B	10.50	-
Berkelanjutan I Phase II Year 2012 Series D	7.75	7.75
Berkelanjutan II Phase I Year 2013 Series D	8.00	8.00
Berkelanjutan II Phase III Year 2015 Series C	9.50	9.50
Berkelanjutan III Phase I Year 2017 Series C	7.70	7.70
Berkelanjutan III Phase I Year 2017 Series A	6.55	6.55
Berkelanjutan III Phase I Year 2017 Series B	7.40	7.40
Berkelanjutan III Phase II Year 2018 Series C	7.10	-
PT Waskita Karya (Persero) Tbk		
Berkelanjutan I Phase II Year 2015 Series A	10.40	10.40
Berkelanjutan I Phase II Year 2015 Series B	11.10	11.10
Berkelanjutan II Phase I Year 2016	9.25	9.25
Berkelanjutan II Phase II Year 2016	8.50	8.50
Berkelanjutan II Phase III Year 2017 Series B	9.00	9.00
Berkelanjutan III Phase I Year 2017 Series A	8.00	8.00
Berkelanjutan III Phase I Year 2017 Series B	8.50	8.50
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan II Phase II Year 2017 Series C	8.20	8.20
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series A	7.70	-
Sukuk ijarah Berkelanjutan I Phase I Year 2013	8.00	-
Berkelanjutan I Phase I Year 2013 Series A	8.00	-
Berkelanjutan I Phase II Year 2013 Series A	9.00	-
Berkelanjutan II Phase II Year 2017 Series D	8.70	-
Berkelanjutan II Phase III Year 2018 Series C	7.25	-
Phase XI Year 2010 Series B	12.55	-
Berkelanjutan I Phase II Year 2013 Series B	9.60	-
Berkelanjutan II Phase III Year 2018 Series B	6.13	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Related parties (Note 44) (continued)</u>		
<u>United States Dollar</u>		
PT Pertamina (Persero)		
Year 2021	5.25	5.25
Year 2022	4.88	4.88
Year 2023	4.30	4.30
PT Perusahaan Listrik Negara (Persero)		
Year 2021	5.50	5.50
Year 2027	4.13	4.13
Year 2028	5.45	-
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	5.13	5.13
PT Pelabuhan Indonesia III (Persero)		
Year 2023	4.50	-
Year 2024	4.88	4.88
PT Pelabuhan Indonesia II (Persero)		
Year 2025	4.25	4.25
<u>Held to maturity (continued)</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	9.15	9.15
Berkelanjutan II Phase II Year 2016	8.75	8.75
PT Indosat (Persero) Tbk		
Sukuk Ijarah Berkelanjutan I Phase III Year 2015 Series B	11.20	11.20
Sukuk Ijarah Berkelanjutan I Phase I Year 2014 Series C	10.50	10.50
Sukuk Ijarah Phase V Year 2012	8.63	8.63
Phase VIII Year 2012 Series B	8.88	8.88
Berkelanjutan II Phase I Year 2017 Series E	9.25	9.25
PT Bank Maybank Indonesia Tbk		
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	8.25	8.25
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	8.25	8.25
PT Bank CIMB Niaga Tbk		
Berkelanjutan I Phase II Year 2013 Series C	9.75	9.75
PT Indonesia Infrastructure Finance		
Phase I Year 2016 Series B	8.70	8.70

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank UOB Indonesia		
Phase I Year 2015 Series C	9.60	9.60
Berkelanjutan I Phase I Year 2016 Series B	8.00	8.00
PT Toyota Astra Financial Services		
Berkelanjutan II Phase I Year 2016 Series B	8.40	8.40
PT Astra Sedaya Finance		
Berkelanjutan II Phase V Year 2015 Series B	9.25	9.25
Berkelanjutan III Phase I Year 2016 Series B	8.50	8.50
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan III Phase I Year 2015 Series A	9.50	9.50
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017 Series A	7.50	7.50
Phase I Year 2014 Series B	9.95	9.95
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	10.25	10.25
Phase XV Year 2011	9.50	9.50
Berkelanjutan I Phase I Year 2012	7.90	7.90
Berkelanjutan I Phase II Year 2013	7.90	7.90
Berkelanjutan II Phase I Year 2015 Series A	9.63	9.63
Berkelanjutan II Phase I Year 2015 Series B	9.88	9.88
Berkelanjutan II Phase I Year 2015 Series C	10.00	10.00
Berkelanjutan II Phase II Year 2016 Series A	8.20	8.20
Berkelanjutan II Phase II Year 2016 Series B	8.75	8.75
PT Pegadaian (Persero)		
Berkelanjutan I Phase II Year 2012 Series D	7.75	7.75
Berkelanjutan I Phase I Year 2011 Series C	9.00	9.00
Berkelanjutan II Phase II Year 2014 Series C	9.75	9.75
Berkelanjutan II Phase III Year 2015 Series C	9.50	9.50
Obligasi X Year 2003 Series B	10.50	10.50
Obligasi XII Year 2009 Series C	12.88	12.88
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014 Series C	9.75	9.75
Berkelanjutan II Phase VI Year 2015 Series B	9.20	9.20
Berkelanjutan II Phase VI Year 2015 Series C	9.50	9.50
Berkelanjutan II Phase V Year 2015 Series C	9.50	9.50
Berkelanjutan III Phase VI Year 2018 Series C	6.90	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Annual Interest Rate (%)	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015 Series A	9.93	9.93
Berkelanjutan I Phase I Year 2015 Series D	11.00	11.00
Obligasi II Year 2010 Series B	10.20	10.20
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase I Year 2013 Series S Series C	8.90	8.90
Berkelanjutan I Phase II Year 2014 Series T	9.85	9.85
Obligasi XIV Series JM-10 Year 2010	9.35	9.35
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series A	8.38	8.38
Berkelanjutan I Year 2011 Series B	9.05	9.05
PT Mandiri Tunas Finance		
Berkelanjutan II Phase I Year 2015 Series A	10.20	10.20
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase I Year 2015 Series B	9.25	9.25
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase II Year 2013 Series A	9.00	9.00
Sukuk Ijarah Phase IV Year 2010	12.55	12.55
Berkelanjutan I Phase I Year 2013 Series B	8.25	8.25
Phase IX Year 2007 Series B	10.90	10.90
Phase VIII Year 2006 Series B	13.75	13.75
Phase XI Year 2010 Series B	12.55	12.55
Phase XII Year 2010 Series B	10.40	10.40
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	8.00	8.00
Sukuk Ijarah Berkelanjutan I Phase II Year 2013 Series B	9.60	9.60
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series B	8.50	8.50
Sukuk Ijarah Berkelanjutan II Phase III Year 2018 Series A	6.50	-
Sukuk Ijarah Phase V Year 2010 Series B	10.40	10.40
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	7.75	7.75
Year 2021	5.50	5.50
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	5.13	5.13
PT Pelabuhan Indonesia II (Persero)		
Year 2025	4.25	4.25
PT Pertamina (Persero)		
Year 2023	4.30	4.30
PT Pelabuhan Indonesia III (Persero)		
Year 2024	4.88	4.88

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Fair value through profit or loss</u>		
<u>Third parties</u>		
PT Summarecon Agung Tbk		
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	December 11, 2018	December 11, 2018
Sukuk Ijarah Berkelanjutan I Phase II Year 2014	October 10, 2019	October 10, 2019
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	October 24, 2018	October 24, 2018
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014 Series B	October 24, 2018	October 24, 2018
Berkelanjutan II Phase III Year 2018 Series E	May 3, 2028	-
PT Medco Energi Internasional Tbk		
berkelanjutan II Phase I Year 2016 Series B	July 15, 2021	July 15, 2021
<u>Related parties (Note 44)</u>		
PT Perusahaan Listrik Negara (Persero)		
Sukuk Ijarah V Year 2010 Series B	July 8, 2022	July 8, 2022
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	July 5, 2020	July 5, 2020
Sukuk Ijarah Berkelanjutan II Phase II Year 2017 Series C	November 3, 2032	-
<u>Available for sale</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	May 11, 2019	May 11, 2019
Berkelanjutan II Phase II Year 2017 Series C	August 22, 2020	August 22, 2020
Berkelanjutan II Phase IV Year 2018 Series B	April 10, 2021	-
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	October 24, 2018	October 24, 2018
Berkelanjutan III Phase I Year 2015 Series A	June 30, 2018	June 30, 2018
Berkelanjutan III Phase II Year 2015 Series B	August 25, 2018	August 25, 2018
Berkelanjutan III Phase II Year 2015 Series C	August 25, 2020	August 25, 2020
Berkelanjutan III Phase IV Year 2016 Series B	July 26, 2019	July 26, 2019
Berkelanjutan III Phase V Year 2017 Series B	March 22, 2020	March 22, 2020
Berkelanjutan III Phase V Year 2017 Series C	March 22, 2022	March 22, 2022
Berkelanjutan III Phase VI Year 2017 Series B	July 14, 2020	July 14, 2020
Berkelanjutan III Phase VI Year 2017 Series C	July 14, 2022	-
Berkelanjutan IV Phase I Year 2017 Series C	December 12, 2022	December 12, 2022
Berkelanjutan IV Phase II Year 2018 Series D	March 21, 2023	-
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016 Series C	November 3, 2021	November 3, 2021
Berkelanjutan II Phase II Year 2017 Series B	August 23, 2020	August 23, 2020
Berkelanjutan II Phase II Year 2017 Series C	August 23, 2022	August 23, 2022
Berkelanjutan II Phase III Year 2017 Series C	November 2, 2022	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	June 28, 2021	June 28, 2021
Berkelanjutan II Phase II Year 2016	October 27, 2021	October 27, 2021
Berkelanjutan II Phase III Year 2018	February 27, 2023	-
PT Astra Sedaya Finance (lanjutan)		
Berkelanjutan III Phase IV Year 2017 Series A	November 12, 2018	November 12, 2018
Berkelanjutan III Phase IV Year 2017 Series B	November 2, 2020	November 2, 2020
Berkelanjutan III Phase II Year 2016 Series B	October 18, 2019	October 18, 2019
Berkelanjutan II Phase V Year 2015 Series B	July 2, 2018	July 2, 2018
Berkelanjutan III Phase I Year 2016 Series B	May 11, 2019	May 11, 2019
Berkelanjutan III Phase III Year 2017 Series C	March 3, 2022	March 3, 2022
Berkelanjutan III Phase III Year 2017 Series B	March 3, 2020	March 3, 2020
Berkelanjutan IV Phase I Year 2018 Series B	May 25, 2021	-
PT Maybank Indonesia Finance		
Berkelanjutan I Phase II Year 2016 Series A	April 13, 2019	April 13, 2019
Berkelanjutan I Phase III Year 2016 Series A	November 3, 2019	November 3, 2019
Berkelanjutan I Phase IV Year 2017 Series B	November 15, 2022	-
Berkelanjutan II Phase I Year 2018 Series A	May 17, 2021	-
PT Bank UOB Indonesia		
Berkelanjutan I Phase I Year 2016 Series B	November 25, 2019	November 25, 2019
Phase I Year 2015 Series C	April 1, 2020	April 1, 2020
Berkelanjutan I Phase I Year 2016 Series C	November 25, 2021	November 25, 2021
PT Toyota Astra Financial Services		
Berkelanjutan I Phase III Year 2015 Series B	November 6, 2018	November 6, 2018
Berkelanjutan II Phase I Year 2016 Series B	June 1, 2019	June 1, 2019
Berkelanjutan II Phase II Year 2017 Series B	February 14, 2020	February 14, 2020
Berkelanjutan II Phase III Year 2016 Series B	April 5, 2019	-
Berkelanjutan II Phase IV Year 2016 Series B	September 27, 2019	-
Berkelanjutan III Phase I Year 2017 Series B	April 26, 2020	-
Berkelanjutan III Phase III Year 2018 Series B	April 11, 2021	-
PT Bank Maybank Indonesia Tbk		
Berkelanjutan II Phase II Year 2018	March 15, 2023	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	June 10, 2019	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk		
Berkelanjutan I Phase I Year 2017 Series B	December 6, 2022	December 6, 2022
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.		
JP Morgan Chase Bank, N.A.	March 25, 2020	March 25, 2020
JP Morgan Chase Bank, N.A.	June 15, 2026	June 15, 2026
JP Morgan Chase Bank, N.A.	October 26, 2020	-
JP Morgan Chase Bank, N.A.	January 23, 2025	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Foreign currencies (continued)</u>		
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	November 28, 2024	November 28, 2024
Oversea-Chinese Banking Corporation		
OCBCSP 061924	June 19, 2024	June 19, 2024
Xerox Corporation		
Xerox Corporation	May 15, 2024	May 15, 2024
Macy's Inc.		
Macy's Inc.	June 1, 2024	June 1, 2024
Province of Ontario		
Province of Ontario	April 14, 2020	April 14, 2020
Bank of America		
Bank of America	January 11, 2023	January 11, 2023
Bank of America	December 20, 2023	December 20, 2023
Bank of America	April 19, 2026	April 19, 2026
Citigroup Inc.		
Citigroup Inc.	October 27, 2028	January 0, 1900
Citigroup Inc.	June 16, 2024	June 16, 2024
Wells Fargo & Company		
Wells Fargo & Company	July 22, 2020	July 22, 2020
Wells Fargo & Company	March 8, 2022	March 8, 2022
The Federal Home Loan Mortgage Corporation		
The Federal Home Loan Mortgage Corporation	January 13, 2022	January 13, 2022
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020
Berkelanjutan III Phase III Year 2016 Series B	November 22, 2019	November 22, 2019
Berkelanjutan III Phase III Year 2016 Series D	November 22, 2023	November 22, 2023
Berkelanjutan III Phase IV Year 2017 Series B	February 23, 2020	February 23, 2020
Berkelanjutan III Phase V Year 2017 Series C	August 15, 2024	August 15, 2024
Berkelanjutan III Phase I Year 2016 Series B	June 8, 2019	June 8, 2019
Berkelanjutan III Phase I Year 2016 Series C	June 8, 2021	June 8, 2021
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020
Berkelanjutan III Phase II Year 2016 Series B	August 25, 2019	August 25, 2019
Berkelanjutan III Phase III Year 2016 Series C	November 22, 2021	November 22, 2021
Berkelanjutan III Phase IV Year 2017 Series C	February 23, 2022	February 23, 2022
Berkelanjutan II Phase VII Year 2016 Series C	February 19, 2021	February 19, 2021
Berkelanjutan II Phase I Year 2014 Series D	June 5, 2019	June 5, 2019
Berkelanjutan III Phase V Year 2017 Series B	August 15, 2022	-
Berkelanjutan III Phase VI Year 2018 Series B	February 14, 2023	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Related parties (Notes 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Tabungan Negara (Persero) Tbk		
Berkelanjutan II Phase I Year 2015 Series A	July 8, 2018	July 8, 2018
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2015 Series C	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	August 30, 2019	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021
Berkelanjutan III Phase I Year 2017 Series A	July 13, 2020	July 13, 2020
Berkelanjutan III Phase I Year 2017 Series B	July 13, 2022	July 13, 2022
Phase XIV Year 2010	June 11, 2020	June 11, 2020
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023
Berkelanjutan XV Year 2011	June 28, 2021	-
PT Bank Mandiri (Persero) Tbk		
Berkelanjutan I Phase II Year 2017 Series A	June 15, 2022	June 15, 2022
Berkelanjutan I Phase II Year 2017 Series B	June 15, 2024	June 15, 2024
Berkelanjutan I Phase I Year 2016 Series A	September 30, 2021	September 30, 2021
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	July 11, 2022	July 11, 2022
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase VI Year 2016	September 27, 2021	September 27, 2021
Berkelanjutan III Phase VII Year 2017 Series B	March 2, 2020	March 2, 2020
Berkelanjutan IV Phase I Year 2017 Series B	June 20, 2020	June 20, 2020
Berkelanjutan III Phase IV Year 2016 Series B	March 11, 2019	-
Berkelanjutan III Phase V Year 2016 Series B	June 17, 2019	-
Berkelanjutan IV Phase III Year 2018 Series C	February 20, 2023	-
Berkelanjutan IV Phase IV Year 2018 Series B	May 18, 2021	-
PT Indonesia Power		
Eba Danareksa I Year 2017 Kelas A	September 19, 2022	September 19, 2022
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase II Year 2014 Series T	September 19, 2019	September 19, 2019
Phase XIV Year 2010 Series JM-10 T	October 12, 2020	October 12, 2020
Komodo 11122020	December 11, 2020	December 11, 2020
PT Pegadaian (Persero)		
Phase X Year 2003 Series B	December 10, 2018	-
Berkelanjutan I Phase II Year 2012 Series D	February 14, 2019	February 14, 2019
Berkelanjutan II Phase I Year 2013 Series D	July 9, 2020	July 9, 2020
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020
Berkelanjutan III Phase I Year 2017 Series C	October 3, 2022	October 3, 2022
Berkelanjutan III Phase I Year 2017 Series A	October 13, 2018	October 13, 2018
Berkelanjutan III Phase I Year 2017 Series B	October 3, 2020	October 3, 2020
Berkelanjutan III Phase II Year 2018 Series C	March 16, 2023	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Waskita Karya (Persero) Tbk		
Berkelanjutan I Phase II Year 2015 Series A	October 16, 2018	October 16, 2018
Berkelanjutan I Phase II Year 2015 Series B	October 16, 2020	October 16, 2020
Berkelanjutan II Phase I Year 2016	June 10, 2019	June 10, 2019
Berkelanjutan II Phase II Year 2016	September 28, 2021	September 28, 2021
Berkelanjutan II Phase III Year 2017 Series B	February 21, 2022	February 21, 2022
Berkelanjutan III Phase I Year 2017 Series A	October 6, 2020	October 6, 2020
Berkelanjutan III Phase I Year 2017 Series B	October 6, 2022	October 6, 2022
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan II Phase II Year 2017 Series C	November 3, 2027	November 3, 2027
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series A	July 11, 2022	-
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	July 5, 2020	-
Berkelanjutan I Phase I Year 2013 Series A	July 5, 2020	-
Berkelanjutan I Phase II Year 2013 Series A	December 10, 2018	-
Berkelanjutan II Phase II Year 2017 Series D	November 3, 2032	-
Berkelanjutan II Phase III Year 2018 Series C	February 22, 2028	-
Phase XI Year 2010 Series B	January 12, 2020	-
Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	-
Berkelanjutan II Phase III Year 2018 Series B	February 22, 2028	-
<u>United States Dollar</u>		
PT Pertamina (Persero)		
Year 2021	May 23, 2021	May 23, 2021
Year 2022	May 3, 2022	May 3, 2022
Year 2023	May 20, 2023	May 20, 2023
PT Perusahaan Listrik Negara (Persero)		
Year 2021	November 22, 2021	November 22, 2021
Year 2027	May 15, 2027	May 15, 2027
Year 2028	May 21, 2028	-
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	May 16, 2024	May 16, 2024
PT Pelabuhan Indonesia III (Persero)		
Year 2023	May 2, 2023	-
Year 2024	October 1, 2024	October 1, 2024
PT Pelabuhan Indonesia II (Persero)		
Year 2025	May 5, 2025	May 5, 2025

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Held to maturity</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	June 28, 2021	June 28, 2021
Berkelanjutan II Phase II Year 2016	October 27, 2021	October 27, 2021
PT Indosat (Persero) Tbk		
Sukuk Ijarah Berkelanjutan I Phase III Year 2015 Series B	December 8, 2025	December 8, 2025
Sukuk Ijarah Berkelanjutan I Phase I Year 2014 Series C	December 12, 2021	December 12, 2021
Sukuk Ijarah Phase V Year 2012	June 27, 2019	June 27, 2019
Phase VIII Year 2012 Series B	June 27, 2022	June 27, 2022
Berkelanjutan II Phase I Year 2017 Series E	May 31, 2027	May 31, 2027
PT Bank Maybank Indonesia Tbk		
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	June 10, 2019	June 10, 2019
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	May 11, 2019	May 11, 2019
PT Bank CIMB Niaga Tbk		
Berkelanjutan I Phase II Year 2013 Series C	November 20, 2018	November 20, 2018
PT Indonesia Infrastructure Finance		
Phase I Year 2016 Series B	July 19, 2021	July 19, 2021
PT Bank UOB Indonesia		
Phase I Year 2015 Series C	April 1, 2020	April 1, 2020
Berkelanjutan I Phase I Year 2016 Series B	November 25, 2019	November 25, 2019
PT Toyota Astra Financial Services		
Berkelanjutan II Phase I Year 2016 Series B	June 1, 2019	June 1, 2019
PT Astra Sedaya Finance		
Berkelanjutan II Phase V Year 2015 Series B	July 2, 2018	July 2, 2018
Berkelanjutan III Phase I Year 2016 Series B	May 11, 2019	May 11, 2019
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan III Phase I Year 2015 Series A	June 30, 2018	June 30, 2018
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017 Series A	November 9, 2020	November 9, 2020
Phase I Year 2014 Series B	July 8, 2019	July 8, 2019
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	June 11, 2020	June 11, 2020
Phase XV Year 2011	June 28, 2021	June 28, 2021
Berkelanjutan I Phase I Year 2012	June 5, 2022	June 5, 2022
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Tabungan Negara (Persero) Tbk (lanjutan)		
Berkelanjutan II Phase I Year 2015 Series A	July 8, 2018	July 8, 2018
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2015 Series C	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	August 30, 2019	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021
PT Pegadaian (Persero)		
Berkelanjutan I Phase II Year 2012 Series D	February 14, 2019	February 14, 2019
Berkelanjutan I Phase I Year 2011 Series C	October 11, 2021	October 11, 2021
Berkelanjutan II Phase II Year 2014 Series C	July 11, 2019	July 11, 2019
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020
Obligasi X Year 2003 Series B	July 11, 2018	July 11, 2018
Obligasi XII Year 2009 Series C	July 1, 2019	July 1, 2019
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014 Series C	October 16, 2019	October 16, 2019
Berkelanjutan II Phase VI Year 2015 Series B	September 16, 2018	September 16, 2018
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020
Berkelanjutan III Phase VI Year 2018 Series C	February 14, 2025	January 0, 1900
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015 Series A	June 23, 2022	June 23, 2022
Berkelanjutan I Phase I Year 2015 Series D	June 23, 2045	June 23, 2045
Obligasi II Year 2010 Series B	July 6, 2020	July 6, 2020
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase I Year 2013 Series S Series C	September 27, 2018	September 27, 2018
Berkelanjutan I Phase II Year 2014 Series T	September 19, 2019	September 19, 2019
Obligasi XIV Series JM-10 Year 2010	October 12, 2020	October 12, 2020
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series A	December 14, 2018	December 14, 2018
Berkelanjutan I Year 2011 Series B	December 14, 2021	December 14, 2021
PT Mandiri Tunas Finance		
Berkelanjutan II Phase I Year 2015 Series A	December 18, 2018	December 18, 2018
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase I Year 2015 Series B	July 7, 2018	July 7, 2018
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase II Year 2013 Series A	December 10, 2018	December 10, 2018
Sukuk Ijarah Phase IV Year 2010	January 12, 2020	January 12, 2020
Berkelanjutan I Phase I Year 2013 Series B	July 5, 2023	July 5, 2023
Phase IX Year 2007 Series B	July 10, 2022	July 10, 2022
Phase VIII Year 2006 Series B	June 21, 2021	June 21, 2021

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Maturity Date	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Perusahaan Listrik Negara (Persero) (lanjutan)		
Phase XI Year 2010 Series B	January 12, 2020	January 12, 2020
Phase XII Year 2010 Series B	July 8, 2022	July 8, 2022
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	July 5, 2020	July 5, 2020
Sukuk Ijarah Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	December 10, 2023
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series B	July 11, 2027	July 11, 2027
Sukuk Ijarah Berkelanjutan II Phase III Year 2018 Series A	February 22, 2023	-
Sukuk Ijarah Phase V Year 2010 Series B	July 8, 2022	July 8, 2022
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	January 20, 2020	January 20, 2020
Year 2021	November 22, 2021	November 22, 2021
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	May 16, 2024	May 16, 2024
PT Pelabuhan Indonesia II (Persero)		
Year 2025	May 5, 2025	May 5, 2025
PT Pertamina (Persero)		
Year 2023	May 20, 2023	May 20, 2023
PT Pelabuhan Indonesia III (Persero)		
Year 2024	October 1, 2024	October 1, 2024
	Rating (*)	
	June 30 2018	December 31 2017
<u>Fair value through profit or loss</u>		
<u>Third parties</u>		
PT Summarecon Agung Tbk		
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	idA+(sy)	idA+(sy)
Sukuk Ijarah Berkelanjutan I Phase II Year 2014	idA+(sy)	idA+(sy)
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	idAAA	idAAA
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014 Series B	idAAA	idAAA
Berkelanjutan II Phase III Year 2018 Series E	idAAA	-
PT Medco Energi Internasional Tbk		
berkelanjutan II Phase I Year 2016 Series B	idA+	idA+

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Fair value through profit or loss (continued)</u>		
<u>Related parties (Note 44)</u>		
PT Perusahaan Listrik Negara (Persero)		
Sukuk Ijarah V Year 2010 Series B	idAAA(sy)	idAAA(sy)
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	idAAA(sy)	idAAA(sy)
Sukuk Ijarah Berkelanjutan II Phase II Year 2017 Series C	idAAA(sy)	-
<u>Available for sale</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA
Berkelanjutan II Phase IV Year 2018 Series B	idAAA	-
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan II Phase II Year 2013 Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2015 Series A	idAAA	idAAA
Berkelanjutan III Phase II Year 2015 Series B	idAAA	idAAA
Berkelanjutan III Phase II Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase IV Year 2016 Series B	idAAA	idAAA
Berkelanjutan III Phase V Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase V Year 2017 Series C	idAAA	idAAA
Berkelanjutan III Phase VI Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase VI Year 2017 Series C	idAAA	-
Berkelanjutan IV Phase I Year 2017 Series C	idAAA	idAAA
Berkelanjutan IV Phase II Year 2018 Series D	idAAA	-
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016 Series C	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series B	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA
Berkelanjutan II Phase III Year 2017 Series C	idAAA	idAAA
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	idA-	idAA
Berkelanjutan II Phase II Year 2016	idAA	idAA
Berkelanjutan II Phase III Year 2018	idAA	-
PT Astra Sedaya Finance		
Berkelanjutan III Phase IV Year 2017 Series A	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase II Year 2016 Series B	idAAA	idAAA
Berkelanjutan II Phase V Year 2015 Series B	idAAA	idAAA
Berkelanjutan III Phase I Year 2016 Series B	idAAA	idAAA
Berkelanjutan III Phase III Year 2017 Series C	idAAA	idAAA
Berkelanjutan III Phase III Year 2017 Series B	idAAA	idAAA
Berkelanjutan IV Phase I Year 2018 Series B	idAAA	-
PT Maybank Indonesia Finance		
Berkelanjutan I Phase II Year 2016 Series A	idAAA	idAA+*)

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Maybank Indonesia Finance (lanjutan)		
Berkelanjutan I Phase III Year 2016 Series A	idAAA	idAA+*)
Berkelanjutan I Phase IV Year 2017 Series B	idAAA	-
Berkelanjutan II Phase I Year 2018 Series A	idAAA	-
PT Bank UOB Indonesia		
Berkelanjutan I Phase I Year 2016 Series B	AAA***)	AAA***)
Phase I Year 2015 Series C	AAA***)	AAA***)
Berkelanjutan I Phase I Year 2016 Series C	AAA***)	AAA***)
PT Toyota Astra Financial Services		
Berkelanjutan I Phase III Year 2015 Series B	AAA***)	idAAA
Berkelanjutan II Phase I Year 2016 Series B	AAA***)	idAAA
Berkelanjutan II Phase II Year 2017 Series B	AAA***)	idAAA
Berkelanjutan II Phase III Year 2016 Series B	AAA***)	idAAA
Berkelanjutan II Phase IV Year 2016 Series B	AAA***)	idAAA
Berkelanjutan III Phase I Year 2017 Series B	AAA***)	idAAA
Berkelanjutan III Phase III Year 2018 Series B	AAA***)	idAAA
PT Bank Maybank Indonesia Tbk		
Berkelanjutan II Phase II Year 2018	idAAA	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	idAA	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk		
Berkelanjutan I Phase I Year 2017 Series B	idAA-	idAA-
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.		
JP Morgan Chase Bank, N.A.	A3**)	A3**)
JP Morgan Chase Bank, N.A.	A3**)	A3**)
JP Morgan Chase Bank, N.A.	A3**)	-
JP Morgan Chase Bank, N.A.	A3**)	-
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	A+***)	A1**)
Oversea-Chinese Banking Corporation		
OCBCSP 061924	A3**)	Aaa***)
Xerox Corporation		
Xerox Corporation	Baa3**)	Baa3**)
Macy's Inc.		
Macy's Inc.	Baa3**)	Baa3**)
Province of Ontario		
Province of Ontario	Aa2**)	Aa2**)
Bank of America		
Bank of America	A3**)	A3**)
Bank of America	A3**)	A3**)
Bank of America	A3**)	A3**)

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Foreign currencies (continued)</u>		
Citigroup Inc.		
Citigroup Inc.	A***)	Baa1**)
Citigroup Inc.	A***)	Baa1**)
Wells Fargo & Company		
Wells Fargo & Company	A2**)	A2**)
Wells Fargo & Company	A2**)	A2**)
The Federal Home Loan Mortgage Corporation		
The Federal Home Loan Mortgage Corporation	AAA***)	AAA***)
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase V Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase III Year 2016 Series B	idAAA	idAAA
Berkelanjutan III Phase III Year 2016 Series D	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase V Year 2017 Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2016 Series B	idAAA	idAAA
Berkelanjutan III Phase I Year 2016 Series C	idAAA	idAAA
Berkelanjutan II Phase VI Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase II Year 2016 Series B	idAAA	idAAA
Berkelanjutan III Phase III Year 2016 Series C	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017 Series C	idAAA	idAAA
Berkelanjutan II Phase VII Year 2016 Series C	idAAA	idAAA
Berkelanjutan II Phase I Year 2014 Series D	idAAA	idAAA
Berkelanjutan III Phase V Year 2017 Series B	idAAA	-
Berkelanjutan III Phase VI Year 2018 Series B	idAAA	-
PT Bank Tabungan Negara (Persero) Tbk		
Berkelanjutan II Phase I Year 2015 Series A	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series B	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series C	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series A	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series B	idAAA	idAA+
Berkelanjutan III Phase I Year 2017 Series A	idAA+	idAA+
Berkelanjutan III Phase I Year 2017 Series B	idAAA	idAA+
Phase XIV Year 2010	idAA+	idAA+
Berkelanjutan I Phase II Year 2013	idAA+	idAA+
Berkelanjutan XV Year 2011	idAA+	-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Mandiri (Persero) Tbk		
Berkelanjutan I Phase II Year 2017 Series A	idAAA	idAAA
Berkelanjutan I Phase II Year 2017 Series B	idAAA	idAAA
Berkelanjutan I Phase I Year 2016 Series A	idAAA	idAAA
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	idAAA	idAAA
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase VI Year 2016	idAAA	idAAA
Berkelanjutan III Phase VII Year 2017 Series B	idAAA	idAAA
Berkelanjutan IV Phase I Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase IV Year 2016 Series B	idAAA	-
Berkelanjutan III Phase V Year 2016 Series B	idAAA	-
Berkelanjutan IV Phase III Year 2018 Series C	idAAA	-
Berkelanjutan IV Phase IV Year 2018 Series B	idAAA	-
PT Indonesia Power		
Eba Danareksa I Year 2017 Kelas A	IdAAA(sf)	IdAAA(sf)
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase II Year 2014 Series T	idAA	idAA
Phase XIV Year 2010 Series JM-10 T	idAA	idAA
Komodo 11122020	idAAA	Baa3**)
PT Pegadaian (Persero)		
Phase X Year 2003 Series B	idAAA	
Berkelanjutan I Phase II Year 2012 Series D	idAAA	idAAA
Berkelanjutan II Phase I Year 2013 Series D	idAAA	idAAA
Berkelanjutan II Phase III Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2017 Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2017 Series A	idAA+	idAAA
Berkelanjutan III Phase I Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase II Year 2018 Series C	idA	-
PT Waskita Karya (Persero) Tbk		
Berkelanjutan I Phase II Year 2015 Series A	idA-	idA-
Berkelanjutan I Phase II Year 2015 Series B	idA-	idA-
Berkelanjutan II Phase I Year 2016	idA-	idA-
Berkelanjutan II Phase II Year 2016	idAA	idA-
Berkelanjutan II Phase III Year 2017 Series B	idA-	idA-
Berkelanjutan III Phase I Year 2017 Series A	idAA+	idA-
Berkelanjutan III Phase I Year 2017 Series B	idAAA	idA-

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December '31 2017
<u>Available for sale (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series A	idAAA	-
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	idAAA(sy)	-
Berkelanjutan I Phase I Year 2013 Series A	idAAA	-
Berkelanjutan I Phase II Year 2013 Series A	idAAA	-
Berkelanjutan II Phase II Year 2017 Series D	idAAA	-
Berkelanjutan II Phase III Year 2018 Series C	idAAA	-
Phase XI Year 2010 Series B	idAAA	-
Berkelanjutan I Phase II Year 2013 Series B	idAAA(sy)	-
Berkelanjutan II Phase III Year 2018 Series B	idAAA(sy)	-
<u>United States Dollar</u>		
PT Pertamina (Persero)		
Year 2021	Baa2**)	Baa2**)
Year 2022	Baa2**)	Baa2**)
Year 2023	Baa2**)	Baa2**)
PT Perusahaan Listrik Negara (Persero)		
Year 2021	Baa2**)	Baa3**)
Year 2027	Baa2**)	Baa3**)
Year 2028	Baa2**)	-
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	Baa2**)	Baa3**)
PT Pelabuhan Indonesia III (Persero)		
Year 2023	Baa3**)	-
Year 2024	Baa3**)	Baa3**)
PT Pelabuhan Indonesia II (Persero)		
Year 2025	Baa2**)	Baa3**)
<u>Held to maturity</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	idA-	idAA
Berkelanjutan II Phase II Year 2016	idAA	idAA
PT Indosat (Persero) Tbk		
Sukuk Ijarah Berkelanjutan I Phase III Year 2015 Series B	idAAA(sy)	idAAA(sy)
Sukuk Ijarah Berkelanjutan I Phase I Year 2014 Series C	idAAA(sy)	idAAA(sy)

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (continued)</u>		
PT Indosat (Persero) Tbk (continued)		
Sukuk Ijarah Phase V Year 2012	idAAA(sy)	idAAA(sy)
Phase VIII Year 2012 Series B	idAAA	idAAA
Berkelanjutan II Phase I Year 2017 Series E	idAAA	idAAA
PT Bank Maybank Indonesia Tbk		
Sukuk Mudharabah Berkelanjutan I Phase II Year 2016	idAA	idAAA(sy)
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	idAAA	idAAA
PT Bank CIMB Niaga Tbk		
Berkelanjutan I Phase II Year 2013 Series C	idAAA	idAAA
PT Indonesia Infrastructure Finance		
Phase I Year 2016 Series B	idAAA	idAAA
PT Bank UOB Indonesia		
Phase I Year 2015 Series C	AAA***)	AAA***)
Berkelanjutan I Phase I Year 2016 Series B	AAA***)	AAA***)
PT Toyota Astra Financial Services		
Berkelanjutan II Phase I Year 2016 Series B	AAA***)	AAA***)
PT Astra Sedaya Finance		
Berkelanjutan II Phase V Year 2015 Series B	idAAA	AAA***)
Berkelanjutan III Phase I Year 2016 Series B	idAAA	AAA***)
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan III Phase I Year 2015 Series A	idAAA	idAAA
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017 Series A	idAAA	AAA***)
Phase I Year 2014 Series B	idAAA	AAA***)
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	idAA+	idAA+
Phase XV Year 2011	idAA+	idAA+
Berkelanjutan I Phase I Year 2012	idAA+	idAA+
Berkelanjutan I Phase II Year 2013	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series A	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series B	idAA+	idAA+
Berkelanjutan II Phase I Year 2015 Series C	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series A	idAA+	idAA+
Berkelanjutan II Phase II Year 2016 Series B	idAAA	idAA+

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
Held to maturity (continued)		
Related parties (Note 44) (continued)		
Rupiah (continued)		
PT Pegadaian (Persero)		
Berkelanjutan I Phase II Year 2012 Series D	idAAA	idAAA
Berkelanjutan I Phase I Year 2011 Series C	idAAA	idAAA
Berkelanjutan II Phase II Year 2014 Series C	idAAA	idAAA
Berkelanjutan II Phase III Year 2015 Series C	idAAA	idAAA
Obligasi X Year 2003 Series B	idAAA	idAAA
Obligasi XII Year 2009 Series C	idAAA	idAAA
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014 Series C	idAAA	idAAA
Berkelanjutan II Phase VI Year 2015 Series B	idAAA	idAAA
Berkelanjutan II Phase VI Year 2015 Series C	idAAA	idAAA
Berkelanjutan II Phase V Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase VI Year 2018 Series C	idAAA	idAAA
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015 Series A	idAAA	idAAA
Berkelanjutan I Phase I Year 2015 Series D	idAAA	idAAA
Obligasi II Year 2010 Series B	idAAA	idAAA
PT Jasa Marga (Persero) Tbk		
Berkelanjutan I Phase I Year 2013 Series S Series C	idAA	idAA
Berkelanjutan I Phase II Year 2014 Series T	idAA	idAA
Obligasi XIV Series JM-10 Year 2010	idAAA	idAA
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series A	idBBB+	idBBB+
Berkelanjutan I Year 2011 Series B	idBBB+	idBBB+
PT Mandiri Tunas Finance		
Berkelanjutan II Phase I Year 2015 Series A	idAA+	idAA+
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase I Year 2015 Series B	idAAA	idAAA
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase II Year 2013 Series A	idAAA	idAAA
Sukuk Ijarah Phase IV Year 2010	idAAA(sy)	idAAA(sy)
Berkelanjutan I Phase I Year 2013 Series B	idAAA	idAAA
Phase IX Year 2007 Series B	idAAA	idAAA
Phase VIII Year 2006 Series B	idAAA	idAAA
Phase XI Year 2010 Series B	idAAA	idAAA
Phase XII Year 2010 Series B	idAAA	idAAA
Sukuk Ijarah Berkelanjutan I Phase I Year 2013	idAAA(sy)	idAAA(sy)

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d2. Bonds (continued)

Information regarding interest rates, maturity date and ratings are as follows (continued):

	Rating (*)	
	June 30 2018	December 31 2017
<u>Held to maturity (continued)</u>		
<u>Related parties (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Perusahaan Listrik Negara (Persero) (lanjutan)		
Sukuk Ijarah Berkelanjutan I Phase II Year 2013 Series B	idAAA(sy)	idAAA(sy)
Sukuk Ijarah Berkelanjutan II Phase I Year 2017 Series B	idAAA(sy)	idAAA(sy)
Sukuk Ijarah Berkelanjutan II Phase III Year 2018 Series A	idAAA	-
Sukuk Ijarah Phase V Year 2010 Series B	idAAA	idAAA
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	Baa2**)	Baa3**)
Year 2021	Baa2**)	Baa3**)
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	Baa2**)	Baa3**)
PT Pelabuhan Indonesia II (Persero)		
Year 2025	Baa2**)	Baa3**)
PT Pertamina (Persero)		
Year 2023	Baa2**)	Baa3**)
PT Pelabuhan Indonesia III (Persero)		
Year 2024	Baa2**)	Baa3**)

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo).

**) Based on ratings issued by Moody's.

***) Based on ratings issued by Fitch Ratings.

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d3. Mutual Funds

	June 30 2018	December 31 2017
<u>Fair value through profit loss</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Schroder Investment Management Indonesia	887,995	678,836
PT Trimegah Asset Management	32,582	32,761
PT Insight Investments Management	31,125	10,316
PT Ciptadana Asset Management	16,848	16,387
PT Maybank Asset Management	16,583	17,356
PT Batavia Prosperindo Aset Manajemen	16,514	17,130
PT Sinarmas Asset Management	15,960	17,708
PT BNP Paribas Investment Partners	15,826	16,305
PT Manulife Aset Manajemen Indonesia	3,916	5,406
	<u>1,037,349</u>	<u>812,205</u>
<u>United States Dollar</u>		
PT Schroder Investment Management Indonesia	-	7,366
	<u>1,037,349</u>	<u>819,571</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Danareksa Investment Management	16,367	15,356
PT PNM Investment Management	3,161	3,452
PT Mandiri Manajemen Investasi	1,223	1,253
PT Bahana TCW Investment Management	1,197	1,203
	<u>21,948</u>	<u>21,264</u>
<u>United States Dollar</u>		
PT Danareksa Investment Management	-	2,100
	<u>21,948</u>	<u>23,364</u>
	<u>1,059,297</u>	<u>842,935</u>
<u>Available for sale</u>		
<u>Third parties</u>		
<u>Rupiah</u>		
PT Insight Investments Management	415,123	306,601
PT RHB Asset Management Indonesia	120,725	115,364
PT Syailendra Asset Management	115,841	81,838
PT Maybank Asset Management	113,357	113,613
PT Sinarmas Asset Management	104,901	145,908

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d3. Mutual Funds (continued)

	June 30 2018	December 31 2017
<u>Available for sale (continued)</u>		
<u>Third parties (continued)</u>		
<u>Rupiah (lanjutan)</u>		
PT Panin Asset Management	81,546	49,614
PT Mega Capital Investama	70,597	60,862
PT Ashmore Asset Management Indonesia	61,989	33,614
PT Manulife Aset Manajemen Indonesia	55,966	58,032
PT Samuel Aset Manajemen	53,685	33,861
PT Henan Putihrai Asset Management	38,841	29,362
PT Trimegah Asset Management	25,582	24,748
PT BNP Paribas Investment Partners	17,027	18,341
PT Majoris Asset Management	9,895	-
PT CIMB Principal Asset Management	6,932	7,788
PT Ciptadana Asset Management	3,105	3,020
PT Pratama Capital Assets Management	1,860	2,117
PT Schroder Investment Management Indonesia	1,275	1,341
PT Indo Premier Sekuritas	473	566
	1,298,720	1,086,590
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Danareksa Investment Management	263,146	276,548
PT BNI Asset Management	75,791	75,291
PT Mandiri Manajemen Investasi	61,253	60,710
PT Bahana TCW Investment Management	5,335	5,729
	405,525	418,278
	1,704,245	1,504,868
	2,763,542	2,347,803

d4. Negotiable Certificate of Deposits (NCD)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				June 30 2018	December 31 2017
<u>Held to maturity</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT BPD Jawa Barat dan Banten Tbk Phase I 2017 Series A	20,000	7.50	March 21, 2018	-	19,776

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d4. Negotiable Certificate of Deposits (NCD) (continued)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				June 30 2018	December 31 2017
<u>Available for sale (continued)</u>					
<u>Third parties (continued)</u>					
<u>Rupiah (continued)</u>					
PT BPD Jawa Barat dan Banten Tbk (lanjutan)					
Phase II 2017 Series A	100,000	6.85	October 2, 2018	98,373	95,287
Phase III Year 2018 Series A	50,000	6.30	5 April 2019	47,657	-
PT Bank Pembangunan Daerah Nusa Tenggara Timur					
Phase I 2017 Series A	20,000	7.50	November 13, 2018	19,531	18,899
PT Bank Sumitomo Mitsui Indonesia					
Phase I 2017 Series A	50,000	5.85	April 11, 2018	-	49,184
Phase I 2017 Series B	50,000	6.00	July 11, 2018	49,916	48,399
Phase I 2017 Series C	50,000	6.15	October 11, 2018	49,108	47,559
PT Bank CIMB Niaga Tbk					
Phase III 2017 Series C	50,000	5.95	May 19, 2018	-	48,798
PT Bank Mizuho Indonesia					
Phase III Year 2017	50,000	5.95	May 17, 2018	-	48,950
Phase IV Year 2018	50,000	6.50	May 17, 2019	47,374	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.					
Phase I 2017 Series A	35,000	7.10	23 Februari 2018	-	39,659
Phase I 2017 Series B	40,000	7.20	May 29, 2018	-	38,979
Phase II Year 2018 Series C	100,000	6.07	May 14, 2019	94,286	-
PT. Bank BNP Paribas Indonesia					
Phase I Year 2018 Series B	40,000	6.25	August 9, 2018	39,726	-
PT Bank KEB Hana Indonesia					
Phase III 2017 Series B	50,000	6.31	March 27, 2018	-	49,394
Phase III 2017 Series C	50,000	6.52	September 26, 2018	49,192	47,953
PT Bank Commonwealth					
Phase I 2017	70,000	6.55	31 Agustus 2018	69,248	67,114
Phase I Year 2018 Series B	150,000	6.23	April 19, 2019	142,390	-
Phase II Year 2018	50,000	6.76	May 24, 2019	47,053	-
PT Bank Maybank Indonesia Tbk					
Phase IV 2017	50,000	6.15	December 12, 2018	48,583	46,973
				<u>802,437</u>	<u>686,354</u>
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Tabungan Negara (Persero) Tbk					
Phase I 2017 Series B	50,000	7.43	February 16, 2018	-	49,629
Phase IV 2017 Series B	30,000	6.20	December 13, 2018	29,144	28,178
Phase I Year 2018 Series B	100,000	6.20	April 2, 2019	95,227	-
				<u>124,371</u>	<u>77,807</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d4. Negotiable Certificate of Deposits (NCD) (continued)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				June 30 2018	December 31 2017
<u>Held to maturity</u>					
<u>Third Parties</u>					
<u>Rupiah</u>					
PT Bank Mizuho Indonesia Phase III 2017	60,000	7.50	May 17, 2018	-	58,347
PT Bank CIMB Niaga Tbk Phase II 2016 Series C	50,000	8.25	November 3, 2021	-	48,621
				-	106,968
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Negara Indonesia (Persero) Tbk Year 2016 Series A	60,000	7.55	March 15, 2018	-	59,095
Year 2016 Series E	100,000	8.25	June 15, 2018	-	96,358
				-	155,453
				926,808	1,026,582

d5. Subordinated Bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating		Carrying Value	
			June 30 2018	December 31 2017	June 30 2018	December 31 2017
<u>Fair value through profit loss</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank KEB Hana Indonesia Phase I Year 2016	9.95	December 21, 2023	AA(idn)	AA(idn)	30,714	33,115
PT Bank Maybank Indonesia Tbk Berkelanjutan II Phase II Year 2016	9.63	June 10, 2023	idAA	idAA	7,852	8,433
PT Bank Muamalat Indonesia Tbk Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2013	7.61	March 28, 2023	-	idA-(sy)	-	5,252
PT Bank Pan Indonesia Tbk Berkelanjutan I Phase I Year 2012	9.40	December 20, 2019	idAA-	idAA-	2,029	2,065
PT Bank CIMB Niaga Tbk Series II Year 2010	10.85	December 23, 2020	AA(idn)	AA(idn)	1,453	1,498
PT Bank Permata Tbk Series II Year 2011	11.00	June 28, 2018	-	idAA+	-	613
					<u>42,048</u>	<u>50,976</u>

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d5. Subordinated Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating		Carrying Value	
			Juni 30 2018	December 31 2017	Juni 30 2018	December 31 2017
<u>Available for sale</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank Pan Indonesia Tbk						
Berkelanjutan I Phase I Year 2012	9.40	December 20, 2019	idAA-	idAA-	94,876	96,465
Berkelanjutan II Phase II Year 2017	10.25	March 17, 2024	idA+	idA+	28,131	30,248
PT Bank UOB Indonesia						
Series I Year 2014	11.35	May 28, 2021	AA(idn)	AA(idn)	29,187	30,772
Phase II Year 2017	9.25	October 17, 2024	AA(idn)	AA(idn)	19,398	20,706
PT Bank Maybank						
Indonesia Tbk						
Phase I Year 2011	10.00	December 6, 2018	idAA+	idAA+	15,690	15,958
Berkelanjutan I Phase I						
Year 2011	10.75	May 19, 2018	-	idAA+	-	57,907
Phase II Year 2012	9.25	October 31, 2019	idAA+	idAA+	64,774	65,242
Berkelanjutan II Phase II						
Year 2014	11.35	July 8, 2021	idAA	idAA	31,287	33,032
Berkelanjutan II Phase II						
Year 2016	9.63	June 10, 2023	idAA	idAA	9,815	10,542
PT Bank Permata Tbk						
Series II Year 2011	11.00	June 28, 2018	-	idAA+	-	57,971
Berkelanjutan I Phase II Year 2012	9.40	December 19, 2019	idAA+	idAA+	149,312	151,752
Berkelanjutan I Phase I						
Year 2012	8.90	June 15, 2019	idAA+	idAA+	5,094	5,107
Berkelanjutan II Phase I						
Year 2013	12.00	December 24, 2020	idAA+	idAA+	5,301	5,568
Berkelanjutan II Phase II						
Year 2014	11.75	October 24, 2021	idAA	idAA	36,933	39,173
PT Bank Bukopin Tbk						
Berkelanjutan I Phase I						
Year 2012	9.25	March 6, 2019	-	idA	-	10,078
Berkelanjutan II Phase II						
Year 2017	11.00	February 28, 2024	idA-	idA-	4,961	5,348
PT Bank CIMB Niaga Tbk						
Series II Year 2010	10.85	December 23, 2020	AA(idn)	AA(idn)	139,535	143,859
PT Bank Muamalat						
Indonesia Tbk						
Mudharabah Berkelanjutan I						
Phase II Year 2013	9.60	March 28, 2023	-	idA-(sy)	-	7,640
PT Bank KEB Hana Indonesia						
Series I Year 2016	9.95	December 21, 2023	AA(idn)	AA(idn)	8,917	9,613
					643,211	796,981
<u>Held to maturity</u>						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank Permata Tbk						
Phase II Year 2012	9.40	December 19, 2019	idAA+	idAA+	20,000	20,000
					20,000	20,000
Total					705,259	867,957

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7. SECURITIES (continued)

d. By Type and Issuer (continued):

d7. Medium Term Notes (MTN)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				June 30 2018	December 31 2017
<u>Available for sale</u>					
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Perkebunan Nusantara III (Persero)	150,000	10.00	December 21, 2018	-	150,000
PT Kimia Farma Tbk					
Phase I Year 2017	57,000	8.10	September 15, 2020	55,347	57,000
Phase II Year 2018	36,000	7.75	March 15, 2021	34,693	-
				<u>90,040</u>	<u>207,000</u>
<u>Held to maturity</u>					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Sumitomo Mitsui Indonesia I Year 2015	100,000	9.85	February 3, 2018	-	100,000
PT Bank Pembangunan Daerah Jawa dan Banten Tbk					
Series I Year 2016	50,000	7.00	January 8, 2018	-	50,000
PT Indah Kiat Pulp & Paper	50,000	10.25	April 20, 2021	50,000	-
				<u>50,000</u>	<u>150,000</u>
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Pegadaian (Persero)					
Phase I Year 2018	200,000	7.00	March 6, 2021	200,000	-
				<u>200,000</u>	<u>-</u>
				<u>250,000</u>	<u>150,000</u>
Total				<u>340,040</u>	<u>357,000</u>

- e. BRI assessed allowance for impairment losses on securities individually based on whether objective evidence of impairment existed.

Management believes that the allowance for impairment losses as of June 30, 2018 and December 31, 2017 is adequate.

- f. The average interest rates:

	2018	2017
Rupiah	7.71%	8.74%
United States Dollar	4.80%	5.27%
European Euro	2.77%	2.75%
Singapore Dollar	1.90%	2.06%

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7. SECURITIES (continued)

- g. BRI recognized unrealized loss - net on "Fair Value through Profit or Loss" securities amounting to (Rp68,155) and Rp40,450 for the six-month period ended June 30, 2018 and 2017, respectively, which are recorded under "Unrealized loss from changes in fair value of securities" in the interim consolidated statement of profit or loss and other comprehensive income.
- h. BRI recognized net gain on sale of securities amounted to Rp581,448 dan Rp409,092 for the six-month period ended June 30, 2018 and 2017, respectively, which were recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the interim consolidated statements and other comprehensive income.
- i. As of June 30, 2018 and December 31, 2017 securities with nominal value of Rp37,633,921 and Rp13,064,976 were sold under agreement to repurchase (Note 24).

8. EXPORT BILLS AND NOTES RECEIVABLE

a. By Type and Currency

	June 30, 2018		December 31, 2017	
	Notional amount foreign currency/ (Full amount)	Rupiah Ekuivalent	Notional amount foreign currency/ (Full amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Domestic				
Documentary				
Letter of Credit		7,166,568		3,435,946
Export Bills		2,367,148		1,534,057
Notes Receivables		2,355,971		2,283,330
		<u>11,889,687</u>		<u>7,253,333</u>
<u>Foreign Currencies</u>				
Ekspor Bills				
United States Dollar	157,101,819	2,251,269	41,649,765	565,083
European Euro	155,914	2,603	499,255	8,106
Renminbi	346,370	750	31,642,266	65,932
Japanese Yen	-	-	32,343,467	3,898
Domestic				
Documentary				
Letter of Credit				
United States Dollar	371,976	5,330	-	-
Notes Receivables				
United States Dollar	89,256,373	1,279,044	97,280,457	1,319,853
Renminbi	367,296,021	795,392	229,784,941	478,789
Japanese Yen	328,381,767	42,491	167,901,713	20,235
European Euro	1,144,568	19,108	1,853,896	30,100
Great Britain				
Poundsterling	51,943	980	851,548	15,605
		<u>4,396,967</u>		<u>2,507,601</u>
		<u>16,286,654</u>		<u>9,760,934</u>

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8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

a. By Type and Currency (continued)

	June 30, 2018		December 31, 2017	
	Notional amount foreign currency/ (Full amount)	Rupiah Ekuivalent	Notional amount foreign currency/ (Full amount)	Rupiah Ekuivalent
<u>Related parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Notes Receivables		452,726		881,432
Domestic				
Documentary				
Letter of Credit		2,227		3,150
Export Bills		-		6,427
		<u>454,953</u>		<u>891,009</u>
<u>Foreign Currencies</u>				
<u>United States Dollar</u>				
Notes Receivables	8,343,261	119,560	95,224	1,292
Export Bills	5,214,110	74,718	82,425	1,118
		<u>194,278</u>		<u>2,410</u>
		<u>649,231</u>		<u>893,419</u>
Total		<u>16,935,885</u>		<u>10,654,353</u>

b. By Collectibility:

All export bills and notes receivable were classified as "Current" as of June 30, 2018 and December 31, 2017 respectively.

c. By Period:

The classification of export bills and notes receivable based on their remaining period to maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
≤ 1 month	15,136,690	1,491,539
> 1 month - 3 month	338,842	3,700,998
> 3 months - 1 year	811,122	4,568,397
	<u>16,286,654</u>	<u>9,760,934</u>
<u>Related parties (Note 44)</u>		
≤ 1 month	572,879	839,412
> 1 month - 3 month	668	23,349
> 3 months - 1 year	75,684	30,658
	<u>649,231</u>	<u>893,419</u>
Total	<u>16,935,885</u>	<u>10,654,353</u>

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8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

c) By Period (continued)

BRI assessed individually for allowance for impairment losses on export bills and notes receivable based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of June 30, 2018 and December 31, 2017 because management believes that export bills and notes receivable are fully collectible.

9. GOVERNMENT RECAPITALIZATION BONDS

This account represents bonds issued by the Government related to BRI's recapitalization program and Government Recapitalization Bonds purchased from the secondary market.

In connection with the recapitalization program, BRI received bonds issued by the Government at a nominal amount of Rp29,149,000 in 2 (two) tranches, at nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000, all of which earn interest at a fixed rate (Note 1b). In accordance with the letter of the Minister of Finance of the Republic of Indonesia No. S-84/MK.01/ 2002 dated March 26, 2002 on "Conversion Implementation of Series FR Bonds into Series VR Bonds", on March 26, 2002 BRI partially redeemed fixed rate Government bonds with a variable interest rate Government bonds.

a. By Ownership Purpose and Remaining Period to Maturity:

	June 30 2018	December 31 2017
<u>Available for sale</u>		
≤ 1 month	868,334	717,840
	<u>868,334</u>	<u>717,840</u>
<u>Held to maturity</u>		
≤ 1 year	750,000	1,125,000
> 1 year - 5 year	1,475,000	1,475,000
	<u>2,225,000</u>	<u>2,600,000</u>
Total	<u>3,093,334</u>	<u>3,317,840</u>

b. By Classification and Type:

Series	Annual Interest Rate (%)	Maturity date	Fair Value/Carrying Value	
			June 30 2018	December 31 2017
<u>Available for sale</u>				
VR0027	3 months SPN	July 25, 2018	447,525	449,055
VR0031	3 months SPN	July 25, 2020	420,809	268,785
			<u>868,334</u>	<u>717,840</u>
<u>Held to maturity</u>				
<u>tempo</u>				
VR0026	3 months SPN	January 25, 2018	-	375,000
VR0027	3 months SPN	July 25, 2018	375,000	375,000
VR0028	3 months SPN	August 25, 2018	375,000	375,000
VR0029	3 months SPN	August 25, 2019	375,000	375,000
VR0031	3 months SPN	July 25, 2020	1,100,000	1,100,000
			<u>2,225,000</u>	<u>2,600,000</u>
Total			<u>3,093,334</u>	<u>3,317,840</u>

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

c. Other Significant Information:

The schedule of interest payment for Government Recapitalization bonds is every 3 (three) months.

The market values of Government Recapitalization Bonds classified under "Available for sale" ranged from 99.45 to 99.62% and 99.55% to 99.79%, of nominal amounts as of June 30, 2018 and December 31, 2017 respectively.

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of June 30, 2018 and December 31, 2017 consist of:

June 30, 2018					
Annual Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Price-Net	
<u>Third parties</u>					
Rupiah					
Bank Indonesia					
Government Bonds					
FR0054	4.85	April 6, 2018	July 6, 2018	349,484	353,486
Total			349,484	353,486	

December 31, 2017					
	Annual Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Price-Net
Third parties					
Rupiah					
Bank Indonesia					
Government Bonds					
FR0066	4.77	October 13, 2017	January 12, 2018	97,113	98,130
FR0034	4.45	December 27, 2017	January 10, 2018	1,743,116	1,743,978
FR0052	4.60	December 27, 2017	January 24, 2018	955,856	956,344
FR0054	4.60	December 20, 2017	January 17, 2018	3,019,546	3,023,790
FR0065	4.55	December 6, 2017	January 3, 2018	271,414	272,271
FR0068	4.60	December 6, 2017	January 3, 2018	1,604,687	1,609,813
FR0068	4.60	December 13, 2017	January 10, 2018	2,554,503	2,560,354
FR0070	4.85	December 8, 2017	March 9, 2018	320,827	321,821
SPN12180809	4.80	November 10, 2017	February 9, 2018	273,786	275,648
SPN03180118	4.25	December 27, 2017	January 3, 2018	2,836,382	2,837,722
SPN12180412	4.45	December 20, 2017	January 3, 2018	2,333,619	2,336,792
SPN12180809	4.80	October 13, 2017	February 12, 2018	90,878	91,835
SPN12181004	4.84	November 10, 2017	February 9, 2018	451,835	454,933

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10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of June 30, 2018 and December 31, 2017 consist of (continued):

December 31, 2017					
	Annual Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Price-Net
<u>Third parties</u>					
<u>Rupiah (continued)</u>					
<u>Bank Indonesia (continued)</u>					
<u>PT Bank CIMB Niaga Tbk</u>					
<u>Government Bonds</u>					
FR0061	5.10	December 12, 2017	January 12, 2018	280,249	281,004
<u>Certificates of Bank Indonesia</u>					
IDSD240818364S	4.95	December 6, 2017	January 5, 2018	172,954	173,548
<u>PT Bank CTBC Indonesia</u>					
<u>Government Bonds</u>					
ORI012	5.10	December 12, 2017	January 12, 2018	139,182	139,556
<u>PT Bank J Trust</u>					
<u>Indonesia Tbk</u>					
<u>Government Bonds</u>					
FR0064	5.30	November 30, 2017	February 28, 2018	42,611	42,805
<u>Deposit Certificates</u>					
<u>of Bank Indonesia</u>					
IDSD060418273S	5.30	November 30, 2017	February 28, 2018	132,192	132,795
IDSD040518182S	5.00	December 13, 2017	January 3, 2018	88,219	88,440
<u>PT Bank Pembangunan</u>					
<u>Daerah Sulawesi Tengah</u>					
<u>Certificates of Bank Indonesia</u>					
IDSD110518182S	4.70	December 28, 2017	January 8, 2018	66,238	66,264
<u>PT Bank Pan</u>					
<u>Indonesia Tbk</u>					
<u>Certificates of Bank Indonesia</u>					
IDSD090318182S	5.20	December 19, 2017	January 19, 2018	502,312	503,183
				17,977,519	18,011,026

11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

Transaction	June 30, 2018	
	Derivatives receivable	Derivatives payable
Interest rate swap	94,907	86,537
Foreign currency and interest rate swap	17,675	105,016
Purchase and sale of foreign currency forward	120,861	171,433
Foreign currency swap	15,351	5,544
Purchase and sale of foreign currency spot	12,603	12,455
Option	229,102	250,749
Total	490,499	631,734

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

The summary of the derivatives transactions are as follows (continued):

Transaction	December 31, 2017	
	Derivatives receivable	Derivatives payable
Interest rate swap	60,475	54,261
Foreign currency and interest rate swap	64,708	115,981
Purchase and sale of foreign currency forward	6,883	15,156
Foreign currency swap	2,740	3,334
Purchase and sale of foreign currency spot	904	785
Option	10,218	11,341
Total	145,928	200,858

a. Cross Currency and Interest Rate Swap

As of March June 30, 2018, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounting to RMB1,215,871,300 (full amount), Rp834,040, USD64,625,500 (full amount), USD10,000,000 (full amount) equivalent to USD189,000,000 (full amount), EUR50,000,000 (full amount), EUR57,000,000 (full amount), and Rp133,350. respectively on their effective contract dates.

As of December 31, 2017, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounting to RMB1,062,730,500 (full amount), RMB750,000,000 (full amount), USD64,625,500 (full amount), USD100,000,000 (full amount), USD10,000,000 (full amount), Rp1,288,440 and Rp269,400 equivalent to USD165,000,000 (full amount), Rp1,522,990, EUR57,000,000 (full amount), Rp1,328,250, RMB68,346,000 (full amount), EUR80,000,000 (full amount) and USD20,000,000 (full amount), respectively on their effective contract date.

The parties in the cross currency swap contracts are liable to interest with respect to the funds received. If the funds received are in USD, the beneficiary must pay interest with fixed rate or floating rate of six-month LIBOR plus a given margin. On the contrary, the beneficiary who receives Rupiah, Renminbi, or European Euro must pay interest with fixed rate.

b. Interest Rate Swap

As of June 30, 2018, BRI has outstanding interest rate swap contract with several counterparties, whereby BRI and the counterparties agreed to swap foreign currencies at a fixed rate or floating rate with contractual amount of USD399,901,309 (full amount).

As of December 31, 2017 BRI has outstanding interest rate swap contract with several counterparties, whereby BRI and the counterparties agreed to swap foreign currencies at a fixed rate or floating rate with contractual amount of USD390,000,000 (full amount) and USD418,651,309 (full amount), respectively.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

c. Option

As of June 30, 2018, has outstanding write call option contract including call spread option amounting to USD420,133,572 (full amount) with contractual amount of Rp6,171,815 and outstanding buy call option contract including call spread option amounting to USD420,133,572 (full amount) with contractual amount of Rp6,057,776.

As of December 31, 2017, BRI has outstanding write call option contract including call spread option amounting to USD64,710,461 (full amount) with contractual amount of Rp548,082 and outstanding buy call option contract including call spread option amounting to USD149,710,461 (full amount) with contractual amount of Rp2,067,752.

d. Purchase and Sale of Foreign Currency Spots and Forward

On June 30, 2018, BRI has spot foreign currency purchase contracts with notional amounts amounting to USD248,750,000 (full amount) and EUR6,500,000 (full amount) with the contract value of IDR3,550,755 and IDR125,235, respectively and spot sales contracts for foreign currencies with notional value of USD250,750,000 (full amount) and EUR6,500,000 (full amount) with a contract value of Rp.3,579,519 and Rp125,287, respectively.

In addition, BRI has a foreign currency forwarding contract with a notional amount of USD288,453,483 (full amount) with a contract value of Rp.4,046,722 and a forward currency sale contract with a notional amount of USD708,155,447 (full amount) with the contract value amounting to Rp10,058,531.

As of December 31, 2017 BRI has outstanding foreign currency spot purchase contract with notional amount of USD62,000,000 (full amount) and EUR5,000,000 (full amount) with contractual amount of Rp840,389 and Rp81,073 also foreign currency spot sale contract with notional amount of USD45,500,000 (full amount) and EUR5,000,000 (full amount) with contractual amount of Rp616,803 and Rp80,918. BRI also has outstanding foreign currency purchase forward contract with notional amount of USD95,427,140 (full amount) with contractual amount of Rp1,299,745 and foreign currency sale spot contract with notional amount of USD392,015,599 (full amount) with contractual amount of Rp5,338,694.

e. Foreign currency swap

As of June, 30 2018, BRI has outstanding foreign currency swap contracts with notional purchase amount of USD44,000,000 (full amount) with the contractual purchase amount of Rp595,174 and foreign currency swap contracts with notional sale amount of USD60,389,868 (full amount) with the contractual amount of Rp842,234.

As of December 31, 2017, BRI has outstanding foreign currency swap contracts with notional purchase amount of USD68,000,000 (full amount) and RMB10,000,000 (full amount) with the contractual purchase amount of Rp922,295 and Rp20,680 and notional sale amount of USD365,000,000 (full amount) with the contractual amount of Rp4,952,199.

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12. LOANS

a. By Type and Currency

The details of loans by type are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
Kupedes	257,674,080	239,446,222
Modal kerjaWorking Capita	145,641,378	137,253,555
Consumer	124,779,928	115,226,118
Investment	59,890,696	56,554,806
Program	18,133,779	15,132,136
Syndicated	319,752	376,908
	<u>606,439,613</u>	<u>563,989,745</u>
<u>Foreign currencies</u>		
Investment	38,833,045	35,517,455
Working capital	22,927,645	22,585,002
Syndicated	603,379	571,560
Consumer	273,798	82,785
	<u>62,637,867</u>	<u>58,756,802</u>
	<u>669,077,480</u>	<u>622,746,547</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Working capital	35,579,712	38,485,484
Investment	29,761,948	30,682,594
Syndicated	15,417,380	14,305,128
Key employees	35,001	38,457
Consumer	8,368	11,118
	<u>80,802,409</u>	<u>83,522,781</u>
<u>Foreign Currencies</u>		
Working capital	18,212,505	8,482,183
Investment	3,264,322	3,418,191
Syndicated	758,589	812,966
	<u>22,235,416</u>	<u>12,713,340</u>
	<u>103,037,825</u>	<u>96,236,121</u>
Total	772,115,305	718,982,668
Less allowance for impairment losses	(34,277,384)	(29,423,380)
Bersih	<u><u>737,837,921</u></u>	<u><u>689,559,288</u></u>

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12. LOANS (continued)

a. By Type and Currency (continued)

The details of loans by currencies are as follows:

	June 30, 2018		December 31, 2017	
	Notional Amount Forrreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Forrreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Rupiah</u>		687,242,022		647,512,526
<u>Foreign currencies</u>				
United States Dollar	5,824,151,813	83,460,095	5,198,485,778	70,530,456
European Euro	67,740,459	1,130,890	35,917,796	583,169
Singapore Dollar	20,234,378	212,759	28,764,567	292,091
Great Britain				
Pound Sterling	2,824,054	53,273	2,507,085	45,943
Japanese Yen	102,809,710	13,303	117,832,413	14,201
Swiss Franc	205,338	2,963	308,006	4,282
		84,873,283		71,470,142
Total		772,115,305		718,982,668
Less allowance for impairment losses		(34,277,384)		(29,423,380)
Net		737,837,921		689,559,288

b. By Economic Sector

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	243,240,138	226,186,153
Agriculture	71,969,730	67,543,304
Business services	28,496,928	25,831,990
Manufacturing	24,634,663	24,177,058
Construction	17,155,368	14,975,663
Transportation, warehousing and communications	9,734,191	9,364,498
Social services	6,115,948	5,885,751
Mining	2,580,537	2,115,257
Electricity, gas and water	2,037,147	1,574,646
Others	200,474,963	186,335,425
	606,439,613	563,989,745
<u>Foreign currencies</u>		
Manufacturing	26,094,005	25,665,775
Agriculture	16,169,729	16,070,541
Electricity, gas and water	8,766,963	5,831,595
Trading, hotels and restaurants	2,712,505	2,432,355
Transportation, warehousing and communications	2,421,897	2,828,184
Business services	2,208,321	2,097,505

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12. LOANS (continued)

b. By Economic Sector (continued)

	June 30 2018	December 31 2017
<u>Third parties (continued)</u>		
<u>Foreign currencies (continued)</u>		
Mining	1,759,489	1,962,466
Construction	1,732,468	1,529,935
Social services	283,451	47,496
Others	489,039	290,950
	<u>62,637,867</u>	<u>58,756,802</u>
	<u>669,077,480</u>	<u>622,746,547</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Electricity, gas and water	27,849,130	26,866,643
Trading, hotels and restaurants	20,390,663	10,821,560
Manufacturing	8,810,015	8,667,951
Construction	7,488,252	9,280,503
Agriculture	6,847,902	6,243,108
Transportation, warehousing and communications	6,212,097	9,234,581
Business services	2,528,175	11,913,867
Mining	330,068	108,341
Social	310,492	346,347
Others	35,615	39,880
	<u>80,802,409</u>	<u>83,522,781</u>
<u>Foreign currencies</u>		
Trading, hotels and restaurants	11,045,683	2,031,732
Manufacturing	6,610,438	5,681,336
Social	2,915,083	3,007,495
Mining	714,028	1,356,750
Transportation, warehousing and communications	701,957	632,312
Construction	140,752	3,715
Business services	107,475	-
	<u>22,235,416</u>	<u>12,713,340</u>
	<u>103,037,825</u>	<u>96,236,121</u>
Total	<u>772,115,305</u>	<u>718,982,668</u>
Less allowance for impairment losses	<u>(34,277,384)</u>	<u>(29,423,380)</u>
Net	<u>737,837,921</u>	<u>689,559,288</u>

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12. LOANS (continued)

c. By Period

The classification of loans based on the remaining period to maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	20,750,511	16,086,535
> 1 month - 3 months	20,420,672	23,003,072
> 3 months - 1 year	118,532,309	110,806,225
> 1 year - 2 years	90,266,287	86,191,035
> 2 years - 5 years	174,594,852	157,904,624
> 5 years	181,874,982	169,998,254
	<u>606,439,613</u>	<u>563,989,745</u>
<u>Foreign currencies</u>		
≤ 1 month	3,568,312	5,382,236
> 1 month - 3 months	1,097,935	2,244,541
> 3 months - 1 year	10,486,169	5,174,926
> 1 year - 2 years	9,406,513	11,410,051
> 2 years - 5 years	10,596,249	8,737,745
> 5 years	27,482,689	25,807,303
	<u>62,637,867</u>	<u>58,756,802</u>
	<u>669,077,480</u>	<u>622,746,547</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	10,071,013	11,019,644
> 1 month - 3 months	1,462,173	11,150,941
> 3 months - 1 year	25,878,514	17,130,693
> 1 year - 2 years	4,436,367	3,145,595
> 2 years - 5 years	7,333,581	5,891,373
> 5 years	31,620,761	35,184,535
	<u>80,802,409</u>	<u>83,522,781</u>
<u>Foreign currencies</u>		
≤ 1 month	267,735	2,000,424
> 1 month - 3 months	1,143,928	407,025
> 3 months - 1 year	16,364,672	5,862,809
> 1 year - 2 years	1,541,764	1,344,479
> 2 years - 5 years	2,785,224	2,999,687
> 5 years	132,093	98,916
	<u>22,235,416</u>	<u>12,713,340</u>
	<u>103,037,825</u>	<u>96,236,121</u>
Total	772,115,305	718,982,668
Less allowance for impairment losses	(34,277,384)	(29,423,380)
Net	<u>737,837,921</u>	<u>689,559,288</u>

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12. LOANS (continued)

d. By Collectibility

	June 30 2018	December 31 2017
Individual	27,543,677	27,226,560
Collective		
Current	704,390,712	661,911,830
Special mention	29,061,734	21,928,300
Substandard	2,125,408	1,290,701
Doubtful	2,536,493	1,408,731
Loss	6,457,281	5,216,546
	<u>744,571,628</u>	<u>691,756,108</u>
Total	<u>772,115,305</u>	<u>718,982,668</u>
Less allowance for impairment losses		
Individual	(15,115,684)	(13,013,036)
Collective	(19,161,700)	(16,410,344)
	<u>(34,277,384)</u>	<u>(29,423,380)</u>
Net	<u>737,837,921</u>	<u>689,559,288</u>

e. By Operating Segment

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
Retail	293,515,503	274,283,085
Micro	273,640,255	252,850,654
Corporate	39,283,855	36,856,006
	<u>606,439,613</u>	<u>563,989,745</u>
<u>Foreign currencies</u>		
Corporate	50,070,042	47,520,666
Retail	12,567,825	11,236,136
	<u>62,637,867</u>	<u>58,756,802</u>
	<u>669,077,480</u>	<u>622,746,547</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Corporate	78,353,462	81,742,983
Retail	2,448,947	1,779,798
	<u>80,802,409</u>	<u>83,522,781</u>
<u>Foreign currencies</u>		
Corporate	15,328,418	12,576,130
Retail	6,906,998	137,210
	<u>22,235,416</u>	<u>12,713,340</u>
	<u>103,037,825</u>	<u>96,236,121</u>
Total	<u>772,115,305</u>	<u>718,982,668</u>
Less allowance for impairment losses	(34,277,384)	(29,423,380)
Net	<u>737,837,921</u>	<u>689,559,288</u>

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12. LOANS (continued)

f. Other Significant Information:

1. The average interest rates are as follows:

	June 30 2018	December 31 2017
Contractual Interest Rate		
Rupiah	11.48%	11.78%
Foreign currencies	4.22%	4.11%
Effective Interest Rate		
Rupiah	13.77%	14.14%
Foreign currencies	4.31%	4.20%

2. The loans are generally collateralized by registered mortgages, by powers of attorneys to sell, demand deposits, saving deposits, time deposits or by other guarantees generally accepted by banks (Notes 20, 21, and 22).
3. Working capital and investment loans is given to debtors for working capital requirements and capital goods.
4. Consumption loans consist of loans to employees and retired employees, housing, motor vehicles and other consumption loans.
5. Program loans represent loan facilities channeled by BRI based on the guidelines from the Government in order to support the development in Indonesia especially the development of small scale industry, middle scale industry and cooperatives.
6. Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro scale industry and fixed income employees that require additional funds, in accordance with the maximum limit amount stated in the Kupedes regulation. The targeted economic sectors are agriculture, manufacturing, trading and others.
7. Syndicated loans represent loans provided to debtors under syndication agreements with other banks. The total of BRI's syndicated loans amounted to Rp44,612,374 and Rp38,340,157 as of June 30, 2018 and December 31, 2017, respectively. BRI's participation as leader in the syndicated loans ranged from 24.50% to 63.65% and 22.65% to 63.65% as of June 30 2018 and December 31, 2017, respectively, while BRI's participation as a member in the syndicated loans ranged from 10.89% to 50.00% as of June 30, 2018 and December 31, 2017.
8. Employee loans are loans given to employees with 5.50% annual interest rate that intended for the acquisition of vehicles, houses and other necessities with 4 (four) to 20 (twenty) years maturity. Loan principal and interest payments were collected through monthly payroll deductions. The difference between employee loan's interest rate and Base Lending Rate (BLR) is deferred and recorded as deferred expense for employee loans as part of other assets. The deferred expense for employee loans amounted to Rp2,147,484 and Rp617,834 as of June 30, 2018 and December 31, 2017, respectively (Note 18).

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12. LOANS (continued)

f. Other Significant Information (continued)

9. Loans granted by BRI to related parties, other than loans to key employees (Note 44) are as follows:

	June 30 2018	December 31 2017
PT Perusahaan Listrik Negara (Persero)	27,961,028	27,039,931
Perum BULOG	23,767,918	9,049,660
PT Pertamina (Persero)	6,038,219	1,760,382
Ministry of Finance of the Republic of Indonesia	3,266,837	3,450,797
PT Dirgantara Indonesia (Persero)	3,150,169	2,438,770
PT Garuda Indonesia (Persero) Tbk	2,416,418	2,375,195
PT Krakatau Steel (Persero) Tbk	2,002,545	1,939,755
PT Pupuk Kalimantan Timur	1,956,497	1,776,795
PT Waskita Karya (Persero) Tbk	1,849,853	2,218,288
PT Kereta Api Indonesia (Persero)	1,785,915	3,801,438
Others	28,807,425	40,346,653
Total	103,002,824	96,197,664

10. Loans that have been restructured by BRI (Parent Entity) as of June 30, 2018 and December 31, 2017 respectively, amounted to Rp43,727,171 and Rp42,175,770 Restructuring scheme generally consist of extension of the loan maturity date and rescheduling of overdue interest payment.

11. In BRI's report on Legal Lending Limit to Bank Indonesia as of June 30, 2018 and December 31, 2017 BRI has neither related party or third party debtor, in accordance with Bank Indonesia regulation, that does not comply with or exceed the Legal Lending Limit, respectively.

12. The details of non-performing collective loans (with collectibility of substandard, doubtful and loss) and total individual loans, as well as the allowance for impairment losses by economic sector are as follows:

	June 30 2018	December 31 2017
Trading, hotels and restaurants	12,082,082	9,898,334
Manufacturing	9,032,080	8,457,660
Agriculture	5,443,612	4,727,530
Construction	3,091,766	3,183,411
Mining	2,612,744	2,712,370
Business services	1,643,730	1,589,408
Transportation, warehousing and communications	1,608,335	1,671,117
Electricity, gas and water	630,006	707,437
Social services	514,731	676,383
Others	2,003,773	1,518,888
Total	38,662,859	35,142,538
Less allowance for impairment losses	(18,108,495)	(15,239,033)
Net	20,554,364	19,903,505

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12. LOANS (continued)

f. Other Significant Information (continued)

13. Ratios

a. The ratios of non-performing loans (NPL) based on Bank Indonesia regulations are as follows:

(i) BRI (Parent Entity) and BRI Agro

	June 30 2018	December 31 2017
Total non-performing loans	17,974,454	15,147,081
Total loans	772,115,305	718,982,668
% Non-Performing Loans (NPL)	2.33%	2.11%

(ii) BRI (Parent Entity)

	June 30 2018	December 31 2017
Total non-performing loans	17,684,353	14,862,646
Total loans	758,952,058	708,001,045
% Non-Performing Loans (NPL)	2.33%	2.10%

b. The ratios of BRI's small scale industry loans to total loans are 48.03% and 45.58% as of June 30, 2018 and December 31, 2017 respectively.

14. Movements in the allowance for impairment losses on loans:

	June 30 2018	December 31 2017
Beginning balance	29,423,380	22,184,296
Provision for impairment losses during the year (Note 34)	10,273,924	16,800,820
Loans written-off during the year	(5,627,330)	(9,548,619)
Foreign currency translation	207,410	(13,117)
Ending balance	34,277,384	29,423,380

BRI's (Parent Entity) allowance for impairment losses balance includes the allowance for impairment losses for areas that are still categorized as a disaster prone areas or have experienced a disaster by the Government of the Republic of Indonesia amounted to Rp988,964 and Rp926,267, as of June 30, 2018 and December 31, 2017 respectively (Note 2e).

The minimum allowance for impairment losses of BRI's (Parent Entity) loans based on Bank Indonesia regulation (Note 2e) amounted to Rp21,501,100 and Rp18,507,786, as of June 30, 2018 and December 31, 2017 respectively.

Management believes that the allowance for impairment losses on loans is adequate.

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13. SHARIA RECEIVABLES AND FINANCING

a. Sharia receivables and financing based on collectibility are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
Current	15,360,409	14,285,886
Special mention	1,575,871	1,382,563
Substandard	178,916	505,223
Doubtful	154,288	89,184
Loss	703,759	604,915
	<u>17,973,243</u>	<u>16,867,771</u>
<u>Related parties (Note 44)</u>		
Current	1,421,723	996,779
Special mention	-	319
	<u>1,421,723</u>	<u>997,098</u>
Total	19,394,966	17,864,869
Less allowance for impairment losses	(492,186)	(577,257)
Net	<u>18,902,780</u>	<u>17,287,612</u>

b. Sharia receivables and financing based on the remaining period to maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	323,686	530,569
> 1 month - 3 months	141,039	236,409
> 3 months - 1 year	2,650,233	2,421,838
> 1 year - 2 years	1,124,257	960,678
> 2 years - 5 years	7,104,181	7,331,402
> 5 years	6,629,847	5,386,875
	<u>17,973,243</u>	<u>16,867,771</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	250,000	-
> 1 month - 3 months	-	-
> 3 months - 1 year	204,091	4,004
> 1 year - 2 years	400,234	801,366
> 2 years - 5 years	481,747	100,938
> 5 years	85,651	90,790
	<u>1,421,723</u>	<u>997,098</u>
Total	19,394,966	17,864,869
Less allowance for impairment losses	(492,186)	(577,257)
Bersih	<u>18,902,780</u>	<u>17,287,612</u>

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13. SHARIA RECEIVABLES AND FINANCING (continued)

Sharia receivables and financing consist of *Murabahah* receivables, *Istishna* receivables, *Qardh* borrowing, *Mudharabah* and *Musyarakah* financing.

Unrecognized *Murabahah* receivables income as of June 30, 2018 dan December 31, 2017 amounted to Rp4,347,467 and Rp4,200,027, respectively

Movements in the allowance for impairment losses on sharia receivables and financing:

	June 30 2018	December 31 2017
Beginning balance	590,469	492,156
Provision for impairment losses during the year (Note 34)	92,795	218,112
Recovery from loans written-off	148,921	18,808
Loans written-off during the year	(339,999)	(138,607)
Ending balance	492,186	590,469

Management believes that the allowance for impairment losses on sharia receivables and financing is adequate.

As of June 30, 2018 and December 31, 2017 the Non-Performing Financing (NPF) of sharia receivables and financing amounted to Rp1,070,506 (5.13%) and Rp1,223,090 (6.43%) respectively.

The type of collateral submitted by the debtors for the sharia receivables and financing are land and buildings, Proof of Motor Vehicle Ownership and other properties.

As of June 30, 2018 and December 31, there were no sharia receivables and financing that were transferred or used as collateral for debts.

14. FINANCE LEASE RECEIVABLES

Finance lease receivables as of June 30, 2018 and December 31, 2017 consist of:

	June 30 2018	December 31 2017
Third parties		
Finance lease receivables - gross	3,187,275	2,828,510
Guaranteed residual values	1,848,267	1,656,302
Unearned finance lease income	(393,392)	(342,419)
Security deposits	(1,846,619)	(1,653,410)
Prepaid management fee	(10,186)	-
Total	2,785,346	2,488,983
Less allowance for impairment losses	(107,500)	(103,500)
Net	2,677,846	2,385,483

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14. FINANCE LEASE RECEIVABLES (continued)

Finance lease receivable - gross, due in period:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 year	278,786	217,083
> 1 year - 2 .	229,002	522,974
> 2 years - 5 years	1,244,365	1,234,645
	<u>1,752,153</u>	<u>1,974,702</u>
<u>United States Dollar</u>		
≤ 1 year	114,380	45,397
> 1 year - 2 .	408,284	45,663
> 2 years - 5 years	510,530	423,221
Total	<u>1,033,193</u>	<u>514,281</u>
 Less allowance for impairment losses	 (107,500)	 (103,500)
Net	<u><u>2,677,846</u></u>	<u><u>2,385,483</u></u>

The movement of allowance for impairment losses:

	June 30 2018	December 31 2017
Beginning balance	103,500	130,000
(Reversal) provision for impairment loss (Note 34)	7,059	(8,713)
Finance lease receivable written-off during the year	(3,133)	(16,984)
Exchange rate differences	74	(803)
Ending balance	<u><u>107,500</u></u>	<u><u>103,500</u></u>

As of June 30, 2018 and December 31, 2017, there are no finance lease receivable that is transferred and/or used are pledged as collateral.

Management believes that the allowance for impairment losses for finance lease receivable is adequate.

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15. ACCEPTANCES RECEIVABLE AND PAYABLE

The details of acceptances receivable from customers are as follows:

a. By Type and Currency

	June 30, 2018		December 31, 2017	
	Notional amount foreign currency/ (Full amount)	Rupiah Equivalent	Notional amount foreign currency/ (Full amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Import Letters of Credit and omestic Documentary Letters of Credit		2,046,508		2,739,683
<u>Foreign Currencies</u>				
Import Letters of Credit and omestic Documentary Letters of Credit				
United States dollar	140,675,322	2,004,336	116,065,536	1,574,719
European Euro	1,710,085	28,549	2,157,759	35,034
Japanese Yen	-	-	38,445,000	4,634
Singapore Dollar	-	-	23,550	239
		2,032,885		1,614,626
		4,079,393		4,354,309
<u>Related parties</u>				
<u>(Notes 44)</u>				
<u>Rupiah</u>				
Import Letters of Credit and omestic Documentary Letters of Credit		455,286		427,335
<u>Foreign Currencies</u>				
Import Letters of Credit and omestic Documentary Letters of Credit				
United States dollar	23,753,429	340,387	66,226,205	898,524
European Euro	996,707	16,639	816,480	13,257
		357,026		911,781
		812,312		1,339,116
Total		4,891,705		5,693,425

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15. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

The details of acceptances receivable from customers are as follows (continued):

b. By Collectibility

All acceptances receivable were classified as "Current" as of June 30, 2018 and December 31, 2017.

c. By Period

The classification of acceptances receivable based on the remaining period until maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
≤ 1 month	3,488,865	1,101,957
> 1 month - 3 months	267,551	1,593,129
> 3 months - 1 year	322,977	1,659,223
	<u>4,079,393</u>	<u>4,354,309</u>
<u>Related parties (Note 44)</u>		
≤ 1 month	599,084	792,676
> 1 month - 3 months	106,783	390,110
> 3 months - 1 year	106,445	156,330
	<u>812,312</u>	<u>1,339,116</u>
Total	<u>4,891,705</u>	<u>5,693,425</u>

BRI assessed acceptances receivable individually for impairment based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of June 30, 2018 and December 31, 2017 because management believes that acceptances receivable are fully collectible.

16. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

Company Name	Type of Business	Percentage of Ownership (%)	June 30, 2018		
			Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
(Investments in associated entity)					
PT Bahana Artha Ventura (Pihak berelasi - catatan 44)	Venture capital	35.00	71,325	776	72,101
<u>Cost Method</u>					
Lembaga Pembayaran Nasional	Financial institutions non bank	17.50			3,500
PT Kustodian Sentral Efek Indonesia	Central securities depository	3.00			900
PT Sarana Bersama Pengembangan Indonesia	Financial institutions non bank	8.00			536
PT Jakarta Kyoei Medical Center	Health services	1.68			220

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16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

The details of investment in associated entities are as follows (continued):

June 30, 2018					
<u>Company Name</u>	<u>Type of Business</u>	<u>Percentage of Ownership (%)</u>	<u>Cost</u>	<u>Accumulated Equity in Net Earnings of Associated Company</u>	<u>Carrying Value</u>
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21			210
PT Menara Proteksi Indonesia	Infrastructure	2.00			200
BPR Toelongredjo Dasa Nusantara	Banking	1.50			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Sport facilities	0.64			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika Padang Golf	Sport facilities	0.24			25
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikanusa Lintasarta	Non-Bank	0.03			20
					<u>5,939</u>
					<u>78,040</u>

December 31, 2017					
<u>Company Name</u>	<u>Type of Business</u>	<u>Percentage of Ownership (%)</u>	<u>Cost</u>	<u>Accumulated Equity in Net Earnings of Associated Company</u>	<u>Carrying Value</u>
<u>Equity Method</u>					
(Investasi dalam entitas asosiasi)					
PT Bahana Artha Ventura					
(Pihak berelasi - catatan 44)	Venture capital	35.00	<u>71,326</u>	<u>56</u>	<u>71,382</u>
<u>Cost Method</u>					
PT Kustodian Sentral	Central securities				
Efek Indonesia	depository	3.00			900
PT Sarana Bersama	Financial institutions				
Pengembangan Indonesia	non Bank	8.00			536
PT Jakarta Kyoei Medical Center	Health services	1.68			220
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21			210
PT Menara Proteksi Indonesia	Infrastructure	2.00			200
BPR Toelongredjo Dasa Nusantara	Banking	1.50			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Sport facilities	0.64			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika Padang Golf	Sport facilities	0.24			25
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikanusa Lintasarta	Non-Bank	0.03			20
					<u>2,439</u>
					<u>73,821</u>

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16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

BRI assessed investment in associated entities individually for impairment based on whether an objective evidence of impairment exists.

As of June 30, 2018 and December 31, 2017, all investments were classified as "Current".

In 2018, BRI received cash dividends from PT Sarana Bersama Pembiayaan Indonesia of Rp11,721.

In 2018 BRI Agro (subsidiary) received cash dividend from BPR Bungamayang Agroloka and BPR Cinta Manis Agroloka of Rp6 and Rp7, respectively, In 2017 BRI Agro received cash dividend from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka of Rp8 dan Rp13 respectively.

Management believes that no allowance for impairment losses is necessary as of June 30, 2018 and December 31, 2017 because investments in associated entities are fully collectible.

17. PREMISES AND EQUIPMENTS

Premises and equipments consist of:

Description	June 30, 2018			Ending Balance
	Beginning Balance	Additions	Deductions	
Carrying Value				
Landrights	16,134,127	1,098,672	1,507	17,231,292
Buildings	3,675,421	385,982	95,877	3,965,526
Motor vehicles	2,203,016	1,805	5,434	2,199,387
Computers and machineries	7,094,079	355,510	45,539	7,404,050
Furnitures and fixtures	1,580,872	63,008	25,935	1,617,945
Museum assets	184	-	-	184
Satellites	3,284,664	-	-	3,284,664
	<u>33,972,363</u>	<u>1,904,977</u>	<u>174,292</u>	<u>35,703,048</u>
Accumulated Depreciation				
Buildings	1,529,320	95,383	122	1,624,581
Motor vehicles	1,703,834	130,196	5,337	1,828,693
Computers and machineries	4,603,464	417,982	43,616	4,977,830
Furnitures and fixtures	1,261,702	64,186	21,734	1,304,154
Satellites	127,737	109,489	-	237,226
	<u>9,226,057</u>	<u>817,236</u>	<u>70,809</u>	<u>9,972,484</u>
Net book value	<u>24,746,306</u>			<u>25,730,564</u>

Description	December 31, 2017			Ending Balance
	Beginning Balance	Additions	Deductions	
Carrying Value				
Landrights	15,799,496	340,373	5,742	16,134,127
Buildings	3,160,913	617,484	102,976	3,675,421
Motor vehicles	2,152,023	84,034	33,041	2,203,016
Computers and machineries	6,404,214	750,309	60,444	7,094,079
Furnitures and fixtures	1,469,906	125,049	14,083	1,580,872
Museum assets	184	-	-	184

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17. PREMISES AND EQUIPMENTS (continued)

Description	December 31, 2017			Ending Balance
	Beginning Balance	Additions	Deductions	
Carrying Value (continued)				
Satellites	-	3,284,664	-	3,284,664
Satellites in development	3,275,613	183,877	3,459,490	-
	<u>32,262,349</u>	<u>5,385,790</u>	<u>3,675,776</u>	<u>33,972,363</u>
Accumulated Depreciation				
Buildings	1,359,558	173,013	3,251	1,529,320
Motor vehicles	1,418,674	316,705	31,545	1,703,834
Computers and machineries	3,834,431	820,942	51,909	4,603,464
Furnitures and fixtures	1,134,627	141,008	13,933	1,261,702
Satellites	-	127,737	-	127,737
	<u>7,747,290</u>	<u>1,579,405</u>	<u>100,638</u>	<u>9,226,057</u>
Net book value	<u>24,515,059</u>			<u>24,746,306</u>

*) Included in additions of premises and equipments is investment property of subsidiary (BRI Life) used by BRI and BRI Syariah amounted to Rp94,779 as of December 31, 2017

Depreciation expense of premises and equipments charged to the interim consolidated statement of profit or loss and other comprehensive income amounted to Rp817,236 and Rp748,260, for the period ended and the year ended June 30, 2018 and 2017 respectively (Note 36).

BRI insured its premises and equipments (excluding landrights and satellites) from losses due to risks of fire, theft, vandalism, force majeure, and others to PT Asuransi Bringin Sejahtera Artamakmur, PT Asuransi Kredit Indonesia (related party - Note 44), PT Asuransi Jasa Tania,Tbk, PT Asuransi Tripakarti with coverage amount of Rp12,577,806, Rp12,283,482, for the period ended and the year ended June 30, 2018, December 31, 2017, respectively.

BRI insured its satellites to PT Asuransi Jasa Indonesia (Persero) (related party - Note 44) with coverage amount of USD224.000.000 (full amount) for the period ended and the year ended June 30, 2018 and December 31, 2017, respectively.

Taxable value of buildings owned by BRI as of June 30, 2018 and December 31, 2017 amounted to Rp2,238,065 and Rp2,196,353 respectively. Taxable value of buildings considered as the best estimation that reflecting fair value

The gross carrying value of premises and equipments that have been fully depreciated but still used by BRI as of June 30, 2018 and December 31, 2017 are Rp5,355,789 and Rp4,777,039 respectively.

As of June 30, 2018 and December 31, 2017, there are no premises and equipments owned by BRI which are pledged as collateral.

In the year of 2017, satellites in development are ready to be used as business support in accordance with management intentions. Therefore, BRI has reclassified satellites in development amounted to Rp3,459,490 to satellite amounted to Rp3,284,664, buildings amounted to Rp79,722, furnitures and fixtures amounted to Rp1,360 along with computers and machineries amounted to Rp93,744.

On the premises and equipments of satellites, BRI has allocated the utilization of 144 MHz transponder capacity to several government agencies which has been evaluated and approved by the Ministry of Communication and Informatics of the Republic of Indonesia. The government agencies that can take advantage of such capacity are Tentara Nasional Indonesia (TNI), Badan Intelijen Negara (BIN), Badan Keamanan Laut (Bakamla), Kepolisian Negara Republik Indonesia (POLRI) and Ministry of Finance.

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17. PREMISES AND EQUIPMENTS (continued)

In the year of 2016, the manufacture of satellites (BRIsat) has been completed and has been successfully launched on June 19, 2016 from Kourou, French Guiana. BRIsat has reached the intended orbit and has been tested (in orbit test). Since August 3, 2016, "BRIsat operational handover" from SSL (as BRIsat manufacturer) has been progressing. Until December 31, 2016, Final Acceptance for the ground device (gRCS) has been conducted to ensure that these devices can be used optimally by BRI. According to the contract, the satellite's performance will continue to be monitored by SSL and BRI until the last milestone (satellite performance) is completed by mid 2017. The percentage of carrying amount satellites in development to the contract value is $\pm 96\%$.

In the year of 2015, the satellite project (BRIsat) has reached the finishing stage of tower (alignment) followed by a Series of tests including vibration test, dynamic test, Compact Antenna Test Range (CATR) and the final performance test. For ground systems, the Bank has installed satellite antenna controller/Telemetry, Tracking and Command System (TT&C) and 2 antennas geolocation, while 2 (two) pieces of communication antennas are still in the process of installation. The percentage of carrying amounts to the contract value is $\pm 74\%$.

On April 1, 2016, BRI performed revaluation for accounting and taxation purposes over landrights, as follows:

- Accounting purposes: BRI changed its accounting policy of landrights from cost model to revaluation model,
- Taxation purposes: the increase in carrying value of landrights amounted to Rp14,315,527 has been approved by Directorate General of Taxation in accordance with the decree of the Directorate General of Taxation No. KEP-479/WPJ.19/2016 dated July 29, 2016.

The increase in the carrying amount arising from the revaluation is recorded as "Revaluation surplus arising from premises and equipments", and is presented in other comprehensive income amounted to Rp13,824,692 (net of final tax of Rp490,835). A decrease in the carrying amount arising from revaluation amounted to Rp54,085 is recognized in profit or loss for the year. The fair value of landrights included in the fair value hierarchy as level 2.

Valuation is performed in accordance to Indonesian Valuations Standards, is determined based on reference to current market transactions and done on arm's length terms. The valuation methods used are market data approach, cost approach and income approach.

Valuation of landrights is performed by external independent appraiser KJPP Abdullah, Fitriantoro dan Rekan, KJPP Aditya, Iskandar dan Rekan, KJPP Aksa, Nelson dan Rekan, KJPP Immanuel, Johnny dan Rekan, KJPP Iwan Bachron dan Rekan, KJPP Nanang, Rahayu dan Rekan, KJPP Pung's Zulkarnain dan Rekan, KJPP Satria, Iskandar, Setiawan dan Rekan and KJPP Toha, Okky, Heru dan Rekan, on various valuation dates.

Management believes that there is no impairment in value of premises and equipments and the amount of insurance coverage is adequate to cover the risk of loss that may arise on the premises and equipments as of June 30, 2018 and December 31, 2017.

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18. OTHER ASSETS

Other assets consist of::

	June 30 2018	December 31 2017
<u>Rupiah</u>		
Claims to government related to generation II KUR disbursement	5,265,870	4,176,707
Deferred expense for employees loan (Note 12f)	2,147,484	617,834
Prepaid expenses	1,767,817	1,212,974
Claims related to ATM and credit card transactions	1,737,628	2,100,850
<i>Ijarah</i> assets	1,558,804	1,146,920
Premises and equipments that have not been distributed	1,418,825	1,393,552
Interest receivable		
Securities	952,974	1,089,898
Government Recapitalization Bonds	234,723	389,617
Placements with Bank Indonesia and other banks	19,324	8,292
Others	56,401	52,042
Office, warehouse, and classroom rent	896,029	914,088
Internal advance	606,424	381,897
Claims to Perum Bulog	474,302	228,682
Foreclosed collaterals	453,610	362,576
Claims for distributions of government social assistance	383,171	657,815
Reinsurance assets	305,368	269,007
Office supplies	262,806	235,827
Accrued revenue based on sharia principle	190,610	191,236
Penalty charges of loan principal and interest	68,730	68,864
Premium receivable	27,051	20,465
Estimated tax refund (Note 38b)	14,048	88,684
Prepaid tax (Note 38b)	-	927,453
Others	7,760,133	2,071,248
	<u>26,602,132</u>	<u>18,606,528</u>
<u>Foreign currencies</u>		
Claims of refinancing	409,249	817,573
Interest receivable		
Securities	578,289	547,626
Others	76,833	42,859
Others	549,533	185,233
	<u>1,613,904</u>	<u>1,593,291</u>
Total	<u>28,216,036</u>	<u>20,199,819</u>

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19. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	June 30 2018	December 31 2017
<u>Rupiah</u>		
Advance payment deposits	2,241,979	2,127,026
Tax payment deposits	571,210	424,823
ATM and credit card deposits	318,808	300,175
Third parties deposits	236,326	200,525
Insurance deposits	195,561	162,907
Deposits for channeling loans	62,867	57,321
Deposits for clearing	55,204	22,252
Advance from money transfer	23,465	26,587
Deposits for social grants	10,494	66,937
Others	4,736,571	2,964,982
	<u>8,452,485</u>	<u>6,353,535</u>
<u>Foreign currencies</u>		
Tax payment deposits	87,776	15,867
Advance payment deposits	51,375	61,720
Others	410,579	153,079
	<u>549,730</u>	<u>230,666</u>
Total	<u>9,002,215</u>	<u>6,584,201</u>

20. DEMAND DEPOSITS

Demand deposits consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>		89,236,965		81,525,195
<u>Foreign currencies</u>				
United States Dollar	968,581,496	13,879,773	1,362,520,346	18,485,995
European Euro	14,187,564	236,854	11,802,883	191,634
Singapore Dollar	4,518,919	47,515	12,039,022	122,251
Great Britain				
Pound Sterling	2,120,094	39,993	2,679,707	49,107
Australian Dollar	3,081,383	32,640	3,039,571	32,202
Renminbi	8,871,905	19,212	7,318,360	15,249
Japanese Yen	97,903,604	12,668	79,572,861	9,590
Hong Kong Dollar	1,022,807	1,868	511,954	889
United Arab				
Emirates Dirham	6,850	27	-	-
Saudi Arabian Riyal	1,124	4	37,625	136
		<u>14,270,554</u>		<u>18,907,053</u>
		<u>103,507,519</u>		<u>100,432,248</u>

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20. DEMAND DEPOSITS (continued)

Demand deposits consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Related Parties				
(Note 44)				
Rupiah		16,858,294		29,089,518
Foreign currencies				
United States Dollar	1,256,304,796	18,002,848	1,161,516,707	15,758,878
European Euro	20,382,284	340,271	14,932,009	242,439
Japanese Yen	50,208,141	6,497	50,489,759	6,085
		18,349,616		16,007,402
		35,207,910		45,096,920
Total		138,715,429		145,529,168

The average interest rates are as follows:

	June 30 2018	December 31 2017
Rupiah	2.77%	2.32%
Foreign Currencies	0.32%	0.33%

Demand deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp234,924 and Rp238,264 as of June 30, 2018 and December 31, 2017 respectively.

21. SAVING DEPOSITS

Saving deposits consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Third parties				
Rupiah				
Simpedes		200,862,685		205,658,448
Britama		122,453,555		126,653,884
Others		11,996,656		9,432,599
		335,312,896		341,744,931
Foreign currencies				
Britama				
United States dollar	98,052,009	1,405,085	96,426,361	1,308,264
European Euro	3,825,912	63,871	4,319,864	70,138
Singapore Dollar	3,477,859	36,569	4,047,720	41,103
Australian Dollar	934,627	9,900	497,747	5,273

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21. SAVING DEPOSITS (continued)

Saving deposits consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Third parties (continued)</u>				
<u>Foreign currencies (continued)</u>				
Britama (continued)				
Great Britain				
Pound Sterling	119,371	2,251	76,103	1,394
Renminbi	1,012,485	2,193	684,461	1,426
Japanese Yen	5,158,559	667	33,461,987	4,033
Saudi Arabian Riyal	15,912	61	960	3
Hong Kong Dollar	9,047	17	29,476	51
United Arab				
Emirates Dirham	95	1	147	1
		<u>1,520,615</u>		<u>1,431,686</u>
Others				
United States Dollar	379,498	5,438	324,787	4,407
		<u>1,526,053</u>		<u>1,436,093</u>
		<u>336,838,949</u>		<u>343,181,024</u>
<u>Related Parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Britama		313,846		160,589
Simpedes		4,625		3,562
Others		140,424		54,560
		<u>458,895</u>		<u>218,711</u>
<u>Foreign currencies</u>				
United States Dollar	1,319,302	18,906	1,538,170	20,869
Singapore Dollar	144	2	80	1
Renminbi	327	1	357	1
European Euro	60	1	64	1
Great Britain				
Pound Sterling	46	1	51	1
Australian Dollar	-	-	195	2
		<u>18,911</u>		<u>20,875</u>
Others				
United States Dollar	311	4	9,346	127
		<u>18,915</u>		<u>21,002</u>
		<u>477,810</u>		<u>239,713</u>
Total		<u>337,316,759</u>		<u>343,420,737</u>

The average interest rates are as follows:

	June 30 2018	December 31 2017
Rupiah	0.92%	1.86%
Foreign Currencies	0.21%	0.21%

Saving deposits used as collateral for banking facilities granted by BRI and subsidiaries is amounted to Rp84,081 and Rp83,430 as of June 30, 2018 and December 31, 2017.

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22. TIME DEPOSITS

Time deposits consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
Third parties				
<u>Rupiah</u>		202,890,697		179,634,460
<u>Foreign currencies</u>				
United States Dollar	3,600,971,414	51,601,920	3,756,779,689	50,970,108
Singapore Dollar	22,205,830	233,488	20,713,546	210,337
Australian Dollar	6,429,169	68,103	6,452,966	68,364
European Euro	3,131,634	52,281	2,983,283	48,437
Renminbi	6,879,281	14,897	9,277,833	19,332
Great Britain				
Pound Sterling	125,243	2,363	125,209	2,295
Japanese Yen	800,000	104	1,135,000	137
Saudi Arabian Riyal	-	-	5,258,518	19,024
		51,973,156		51,338,034
		254,863,853		230,972,494
Related parties (Note 44)				
<u>Rupiah</u>		57,036,248		68,918,906
<u>Foreign currencies</u>				
United States Dollar	1,582,864,831	22,682,453	1,912,908,304	25,953,383
Singapore Dollar	44,359,642	466,430	44,162,297	448,449
European Euro	6,649,000	111,001	7,649,000	124,191
Australian Dollar	-	-	48,532	514
		23,259,884		26,526,537
		80,296,132		95,445,443
Total		335,159,985		326,417,937

Time deposits based on their contractual period are as follows:

	June 30 2018	December 31 2017
Third parties		
<u>Rupiah</u>		
Deposits on call	8,814,709	7,846,255
<u>Deposit</u>		
1 month	75,938,190	71,521,847
3 months	92,210,107	73,908,929
6 months	17,052,264	19,467,302
12 months	8,002,119	6,123,449
More than 12 months	873,308	766,678
	202,890,697	179,634,460

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22. TIME DEPOSITS (continued)

Time deposits based on their contractual period are as follows (continued):

	June 30 2018	December 31 2017
<u>Third parties (continued)</u>		
<u>Foreign currencies</u>		
Deposits on call	4,480,767	3,858,989
Deposits		
1 month	13,831,559	12,810,631
3 months	9,257,097	5,859,042
6 months	6,592,459	13,393,642
12 months	17,127,317	15,411,619
More than 12 months	683,957	4,111
	<u>51,973,156</u>	<u>51,338,034</u>
	<u>254,863,853</u>	<u>230,972,494</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Deposits on call	10,226,237	14,117,304
Deposits		
1 month	21,881,401	24,736,012
3 months	12,083,761	14,274,439
6 months	5,895,596	2,560,592
12 months	448,053	1,659,159
More than 12 months	6,501,200	11,571,400
	<u>57,036,248</u>	<u>68,918,906</u>
<u>Foreign currencies</u>		
Deposits on call	1,880,963	7,275,615
Deposits		
1 month	7,593,210	8,742,183
3 months	6,767,521	4,072,443
6 months	6,686,081	5,367,913
12 months	206,004	948,989
More than 12 months	126,105	119,394
	<u>23,259,884</u>	<u>26,526,537</u>
	<u>80,296,132</u>	<u>95,445,443</u>
Total	<u>335,159,985</u>	<u>326,417,937</u>

The average interest rates are as follows:

	June 30 2018	December 31 2017
Rupiah	5.64%	6.20%
Mata uang asing	1.71%	1.43%

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp201,719 and Rp334,019 as of June 30, 2018 and December 31, 2017.

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	June 30, 2018		December 31, 2017	
	Notional Amount		Notional Amount	
	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent	Foreign Currency/ (Full Amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Inter-bank call money		4,835,000		-
Deposit On Call		1,318,000		3,473,000
Time Deposits		492,429		523,193
Demand deposits		254,596		169,262
Saving deposits		3,491		6,709
		<u>6,903,516</u>		<u>4,172,164</u>
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Demand deposits	10,267,328	147,131	13,272,017	180,068
Time Deposits	6,000,400	85,986	1,000,000	13,568
Inter-bank call money	-	-	6,000,000	81,405
		<u>233,117</u>		<u>275,041</u>
		<u>7,136,633</u>		<u>4,447,205</u>
<u>Related parties</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money		70,000		-
Demand deposits		1,358		2,621
Deposit On Call		-		50,000
		<u>71,358</u>		<u>52,621</u>
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Inter-bank call money	69,684,224	998,575	80,600,000	1,093,541
		<u>1,069,933</u>		<u>1,146,162</u>
Total		<u>8,206,566</u>		<u>5,593,367</u>

The average interest rates are as follows:

	June 30 2018	December 31 2017
<u>Rupiah</u>		
Demad deposits	1.53%	1.31%
Saving deposits	1.23%	1.37%
Deposit On Call	5.30%	5.23%
Time deposits	5.06%	5.90%
Inter-bank Call money	6.47%	-

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The average interest rates are as follows (continued):

	June 30 2018	December 31 2017
<u>Foreign currencies</u>		
Demad deposits	0.12%	0.03%
Time deposits	1.27%	0.45%
Inter-bank call money	-	0.92%

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows:

June 30, 2018				
	≤ 1 month	> 1 month - 3 months	> 3 month - 1 year	Total
<u>Third Parties</u>				
<u>Rupiah</u>				
Inter-bank call money	3,435,000	1,400,000	-	4,835,000
Time Deposits	441,818	50,611	-	492,429
Deposit On Call	1,318,000	-	-	1,318,000
Demand deposits	254,596	-	-	254,596
Saving deposits	3,491	-	-	3,491
	<u>5,452,905</u>	<u>1,450,611</u>	<u>-</u>	<u>6,903,516</u>
<u>Foreign currencies</u>				
Demand deposits	147,131	-	-	147,131
Time Deposits	85,986	-	-	85,986
	<u>233,117</u>	<u>-</u>	<u>-</u>	<u>233,117</u>
<u>Related Parties (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money	50,000	20,000	-	70,000
Demand deposits	1,358	-	-	1,358
	<u>51,358</u>	<u>20,000</u>	<u>-</u>	<u>71,358</u>
<u>Foreign currencies</u>				
Inter-bank call money	998,575	-	-	998,575
Total	<u>6,735,955</u>	<u>1,470,611</u>	<u>-</u>	<u>8,206,566</u>

December 31, 2017				
	≤ 1 month	> 1 month - 3 months	> 3 months - 1 year	Total
<u>Third parties</u>				
<u>Rupiah</u>				
Deposit On Call	3,473,000	-	-	3,473,000
Time Deposits	436,000	57,408	29,785	523,193
Demand deposits	169,262	-	-	169,262
Saving deposits	6,709	-	-	6,709
	<u>4,084,971</u>	<u>57,408</u>	<u>29,785</u>	<u>4,172,164</u>

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows (continued):

	December 31, 2017			
	≤ 1 month	> 1 month - 3 months	> 3 months - 1 year	Total
<u>Third parties (continued)</u>				
<u>United States Dollar</u>				
Demand deposits	180,068	-	-	180,068
Inter-bank call money	81,405	-	-	81,405
Time deposits	13,568	-	-	13,568
	<u>275,041</u>	<u>-</u>	<u>-</u>	<u>275,041</u>
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Deposit On Call	50,000	-	-	50,000
Demand deposits	2,621	-	-	2,621
	<u>52,621</u>	<u>-</u>	<u>-</u>	<u>52,621</u>
<u>Foreign currencies</u>				
Inter-bank call money	1,093,541	-	-	1,093,541
Total	<u>5,506,174</u>	<u>57,408</u>	<u>29,785</u>	<u>5,593,367</u>

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consist of:

Type of securities	June 30, 2018				
	Date of sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third parties</u>					
<u>Rupiah</u>					
<u>Other Bank</u>					
<u>Certificates of Bank Indonesia</u>					
IDSD150219361S	March 8, 2018	September 10, 2018	128,503	128,503	128,503
IDSD130718182S	June 4, 2018	July 2, 2018	8,562,686	8,562,686	8,562,686
IDSD280918368S	June 6, 2018	July 4, 2018	1,477,549	1,477,549	1,477,549
IDSD180119273S	June 6, 2018	July 4, 2018	290,545	290,545	290,545
IDSD140918273S	June 6, 2018	July 4, 2018	295,721	295,721	295,721
IDSD160818272S	June 6, 2018	July 4, 2018	296,944	296,944	296,944
IDSD100818182S	June 8, 2018	July 9, 2018	250,654	250,654	251,726
IDSD211218273S	June 8, 2018	July 9, 2018	200,408	200,408	201,247
IDSD240818364S	June 22, 2018	July 5, 2018	200,505	200,505	200,745
IDSD280918368S	June 25, 2018	July 5, 2018	100,264	100,264	100,264
IDSD160818272S	June 26, 2018	July 24, 2018	100,046	100,046	100,122
IDSD240818364S	June 28, 2018	July 30, 2018	178,391	178,391	178,459
IDSD240818364S	June 28, 2018	July 30, 2018	222,989	222,989	223,074
			<u>12,305,203</u>	<u>12,305,203</u>	<u>12,307,585</u>

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24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

June 30, 2018					
Type of securities	Date of sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
Third parties (continued)					
<u>Rupiah (continued)</u>					
<u>Other Bank (continued)</u>					
<u>Government Bonds</u>					
FR0069	May 18, 2015	April 15, 2019	500,047	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	499,714	499,714	499,714
FR0053	September 6, 2016	July 15, 2021	437,025	437,025	437,025
FR0034	September 6, 2016	June 15, 2021	344,315	344,315	344,315
FR0048	September 6, 2016	September 15, 2018	98,570	98,570	98,570
FR0069	September 9, 2016	April 15, 2019	498,000	498,000	498,000
FR0053	September 9, 2016	July 15, 2021	390,000	390,000	390,000
FR0053	February 28, 2017	July 15, 2021	382,690	382,690	382,690
FR0061	February 28, 2017	May 13, 2022	304,722	304,722	304,722
FR0063	November 7, 2017	May 15, 2023	446,090	446,090	446,090
FR0063	May 30, 2018	August 30, 2018	428,486	428,486	431,068
FR0063	May 30, 2018	August 30, 2018	428,486	428,486	431,068
FR0063	June 4, 2018	September 4, 2018	645,061	645,061	648,415
FR0063	June 4, 2018	September 4, 2018	215,020	215,020	216,138
FR0061	June 6, 2018	July 4, 2018	1,341,445	1,341,445	1,341,445
FR0063	June 6, 2018	July 4, 2018	3,155,681	3,155,681	3,155,681
FR0059	June 6, 2018	July 4, 2018	1,418,408	1,418,408	1,418,408
FR0064	June 6, 2018	July 4, 2018	886,832	886,832	886,832
FR0065	June 6, 2018	July 4, 2018	437,326	437,326	437,326
FR0035	June 6, 2018	July 4, 2018	363,372	363,372	363,372
FR0074	June 6, 2018	July 4, 2018	676,681	676,681	676,681
FR0075	June 26, 2018	September 26, 2018	213,895	213,895	214,065
FR0064	June 26, 2018	September 26, 2018	202,593	202,593	202,754
FR0063	June 26, 2018	September 26, 2018	210,229	210,229	210,396
FR0059	June 29, 2018	July 13, 2018	251,326	251,326	251,366
SPN12190214	June 6, 2018	July 4, 2018	273,897	273,897	275,020
SPN12190314	June 26, 2018	July 26, 2018	259,050	259,050	259,248
SPN12190131	June 26, 2018	July 26, 2018	261,029	261,029	261,228
SPN12190411	June 26, 2018	July 26, 2018	257,708	257,708	257,904
SPN12190104	June 26, 2018	July 26, 2018	267,390	267,390	267,593
SPN12190314	June 29, 2018	July 13, 2018	216,404	216,404	216,438
SPN12190314	June 29, 2018	July 30, 2018	216,404	216,404	216,445
SPN12190314	June 29, 2018	July 20, 2018	155,811	155,811	155,837
			<u>16,683,705</u>	<u>16,683,705</u>	<u>16,695,902</u>
			<u>28,988,909</u>	<u>28,988,909</u>	<u>29,003,487</u>
<u>Unites States Dollar</u>					
<u>Other Bank</u>					
CS REPOF-IND 130320 USD A	December 6, 2017	September 6, 2018	358,250	367,621	367,621
CS REPOF-IND 040319 USD	December 6, 2017	September 6, 2018	358,250	367,621	367,621
CS REPOF-IND 050521 USD	December 11, 2017	November 9, 2018	716,500	735,627	735,627
CS REPOF-IND 250422 USD	December 11, 2017	November 9, 2018	716,500	735,627	735,627
CS REPOF-IND 050521 USD	May 16, 2018	February 14, 2019	573,200	577,106	577,106
CS REPOF-IND 050521 USD	May 17, 2018	February 19, 2019	429,900	432,764	432,764

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24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

June 30, 2018					
Type of securities	Date of sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
Third parties (continued)					
<u>Unites States Dollar</u>					
Other Bank (continued)					
CS REPOF-IND 050521 USD	May 17, 2018	February 11, 2019	429,905	432,769	432,769
INDOIS19S	March 21, 2018	September 17, 2018	286,608	290,710	290,710
INDOIS18	March 21, 2018	September 14, 2018	429,900	436,234	436,234
INDOIS 19 SL	June 6, 2018	March 6, 2019	931,450	934,835	934,835
INDOIS 19 SL	June 6, 2018	March 6, 2019	1,003,100	1,006,745	1,006,745
INDOIS 19 SL	June 6, 2018	March 6, 2019	214,950	215,724	215,724
INDOIS 18 SL	June 6, 2018	November 21, 2018	716,500	719,008	719,008
			<u>7,165,013</u>	<u>7,252,392</u>	<u>7,252,392</u>
			<u>36,153,921</u>	<u>36,241,300</u>	<u>36,255,878</u>
Related parties (Note 44)					
<u>Rupiah</u>					
Non Bank					
Government Bonds					
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	993,773
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	476,813
			<u>1,480,000</u>	<u>1,438,638</u>	<u>1,470,586</u>
Total			<u>37,633,921</u>	<u>37,679,938</u>	<u>37,726,464</u>
December 31, 2017					
Type of securities	Date of sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
Third parties					
<u>Rupiah</u>					
Other Bank					
Government Bonds					
FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
FR0069	September 9, 2016	April 15, 2019	540,000	498,000	498,000
FR0061	February 28, 2017	May 15, 2022	362,000	304,722	304,722
FR0063	November 7, 2017	May 15, 2023	500,000	446,090	446,090
FR0066	September 13, 2016	May 15, 2018	539,000	489,000	489,000
FR0053	September 9, 2016	July 15, 2021	416,000	390,000	390,000
FR0053	September 6, 2016	July 15, 2021	450,000	437,025	437,025
FR0053	February 28, 2017	July 15, 2021	440,000	382,690	382,690
FR0034	September 6, 2016	June 15, 2021	300,000	344,315	344,315
FR0048	September 6, 2016	September 15, 2018	100,000	98,570	98,570
			<u>4,786,000</u>	<u>4,390,173</u>	<u>4,390,173</u>
Certificates of Bank Indonesia					
IDSD240818364S	December 21, 2017	January 5, 2018	2,000,000	2,021,328	2,024,388
IDSD090318182S	December 5, 2017	February 5, 2018	500,000	443,495	445,161
IDSD160318182S	November 30, 2017	February 28, 2018	500,000	442,923	444,944
IDSD060418273S	November 5, 2017	March 5, 2018	500,000	440,638	442,325
IDSD290618277S	November 30, 2017	May 30, 2018	500,000	436,495	438,637
			<u>4,000,000</u>	<u>3,784,879</u>	<u>3,795,455</u>

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24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

Type of securities	December 31, 2017				
	Date of sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
Third parties					
<u>United States Dollar</u>					
Other Bank					
Government Bonds					
RI0126	December 6, 2017	June 6, 2018	474,863.00	444,804.00	445,966.00
RI0320	December 6, 2017	September 6, 2018	367,679.00	339,188.00	340,109.00
RI0319	December 6, 2017	September 6, 2018	349,363.00	339,188.00	340,109.00
RI0521	December 11, 2017	November 9, 2018	788,272.00	678,375.00	679,929.00
RI0422	December 11, 2017	November 9, 2018	818,799.00	678,375.00	679,929.00
			<u>2,798,976</u>	<u>2,479,930</u>	<u>2,486,042</u>
			<u>11,584,976</u>	<u>10,654,982</u>	<u>10,671,670</u>
Related parties (Note 44)					
<u>Rupiah</u>					
Non Bank					
Government Bonds					
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	474,927
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	990,087
			<u>1,480,000</u>	<u>1,438,638</u>	<u>1,465,014</u>
Total			<u>13,064,976</u>	<u>12,093,620</u>	<u>12,136,684</u>

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25. MARKETABLE SECURITIES ISSUED

BRI issued marketable securities with details as follows:

	June 30 2018	December 31 2017
<u>Rupiah</u>		
BRI Shelf Registration Bonds I		
Phase I Year 2015		
Net of unamortized issuance cost amounting to Rp1,451 and Rp2,091 As of June 30, 2018 and December 31, 2017	2,323,524	2,321,788
Phase II Year 2016		
Net of unamortized issuance cost amounting to Rp1,524 and Rp2,125 As of June 30, 2018 and December 31, 2017	3,840,476	3,839,875
Phase III Year 2016		
Net of unamortized issuance cost amounting to Rp1,012 and Rp1,372 As of June 30, 2018 and December 31, 2017	3,075,609	3,069,111
BRI Shelf Registration Bonds II		
Phase I Year 2016		
Net of unamortized issuance cost amounting to Rp3,823 and Rp4,116 As of June 30, 2018 and December 31, 2017	3,905,066	3,927,592
Phase II Year 2017		
Net of unamortized issuance cost amounting to Rp2,265 and Rp2,579 As of June 30, 2018 and December 31, 2017	3,946,724	5,076,914
Phase III Year 2017		
Net of unamortized issuance cost amounting to Rp2,961 and Rp3,293 As of June 30, 2018 and December 31, 2017	5,127,026	5,126,187
Phase IV Year 2018		
Net of unamortized issuance cost amounting to Rp1,975 as of June 30 2018	2,435,021	-
BRI Agro Bonds I Year 2017		
Net of unamortized issuance cost amounting to Rp1,755 and Rp2,035 As of June 30, 2018 and December 31, 2017	498,245	477,808
	<u>25,151,691</u>	<u>23,839,275</u>
<u>United States Dollar</u>		
BRI Bonds		
Net of discount and unamortized issuance cost amounting to RpNil and Rp4,231 As of June 30, 2018 and December 31, 2017	-	6,780,383
	<u><u>25,151,691</u></u>	<u><u>30,619,658</u></u>

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25. MARKETABLE SECURITIES ISSUED (continued)

The amortization issuance cost of securities issued for the six-month period and the year ended June 30, 2018 and December 31, 2017 amounting to Rp16,766 and Rp23,830.

Other basic information related to marketable securities issued are as follows:

a) BRI Shelf Registration Bonds I

On June 25, 2015, BRI issued BRI Shelf Registration Bonds I Phase I Year 2015 at principal value Rp3,000,000 in 3 (three) series as follows:

- Series A: Principal value amounting to Rp655,000 with a fixed interest rate of 8.40% per annum, for a period of 370 (three hundred and seventy) days that matured on July 7, 2016.
- Series B: Principal value amounting to Rp925,000 with a fixed interest rate of 9.20% per annum, for a period of 3 (three) years that will mature on July 3, 2018
- Series C: Principal value amounting to Rp1,420,000 with a fixed interest rate of 9.50% per annum, for a period of 5 (five) years that will mature on July 3, 2020.

The interest of BRI Shelf Registration Bonds I Phase I Year 2015 is paid every 3 (three) months, starting from October 3, 2015. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On January 19, 2016, BRI issued BRI Shelf Registration Bonds I Phase II Year 2016 at principal value Rp4,650,000 in 3 (three) series, as follows:

- Series A: Principal value amounting to Rp808,000 with a fixed interest rate of 8.50% per annum, for a period of 370 (three hundred and seventy) days that matured on February 8, 2017.
- Series B: Principal value amounting to Rp1,018,500 with a fixed interest rate of 9.25% per annum, for a period of 3 (three) years that will mature on February 4, 2019.
- Series C: Principal value amounting to Rp2,823,500 with a fixed interest rate of 9.60% per annum, for a period of 5 (five) years that will mature on February 4, 2021.

The interest of BRI Shelf Registration Bonds I Phase II Year 2016 is paid every 3 (three) months, starting from May 4, 2016. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On May 4, 2016, BRI issued BRI Shelf Registration Bonds I Phase III Year 2016 at principal value Rp4,350,000 in 3 (three) series, as follows:

- Series A: Principal value amounting to Rp1,212,000 with a fixed interest rate of 7.50% per annum, for a period of 370 (three hundred and seventy) days that matured on May 30, 2017.
- Series B: Principal value amounting to Rp2,437,000 with a fixed interest rate of 8.20% per annum, for a period of 3 (three) years that will mature on May 25, 2019.
- Series C: Principal value amounting to Rp701,000 with a fixed interest rate of 8.70% per annum, for a period of 5 (five) years that will mature on May 25, 2021.

The interest of BRI Shelf Registration Bonds I Phase III Year 2016 is paid every 3 (three) months, starting from August 25, 2016. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of June 30, 2018 and December 31, 2017 BRI Shelf Registration Bonds I obtained and idAAA rating from Pefindo.

The net proceeds from the issuance of Shelf Registration Bonds will be used for credit granting.

One important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the supervisory agent, reduce, authorised, issued and paid-up capital, nor perform merger, separation, consolidation neither takeovers of company.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

a) BRI Shelf Registration Bonds I (continued)

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds I Phase I Series A, Shelf Registration Bonds I Phase II Series A, and Shelf Registration Bonds I Phase III Series A with nominal value of Rp655,000, Rp808,000 and Rp1,212,000 on maturity date.

b) BRI Shelf Registration Bonds II

On December 2, 2016, BRI issued Shelf Registration Bonds II Phase I Year 2016 at principal value Rp4,600,000 in 5 (five) series, as follows:

- Series A: Principal value amounting to Rp616,000 with a fixed interest rate of 7.25% per annum, for a period of 370 (three hundred and seventy) days that matured on December 6, 2017.
- Series B: Principal value amounting to Rp964,000 with a fixed interest rate of 8.00% per annum, for a period of 3 (three) years that will mature on December 1, 2019.
- Series C: Principal value amounting to Rp193,000 with a fixed interest rate of 8.20% per annum, for a period of 5 (five) years that will mature on December 1, 2021.
- Series D: Principal value amounting to Rp477,000 with a fixed interest rate of 8.65% per annum, for a period of 7 (seven) years that will mature on December 1, 2023.
- Series E: Principal value amounting to Rp2,350,000 with a fixed interest rate of 8.90% per annum, for a period of 10 (ten) years that will mature on December 1, 2026.

The interest of BRI Shelf Registration Bonds II Phase I Year 2016 is paid every 3 (three) months, starting from March 1, 2017. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On April 12, 2017 BRI issued Shelf Registration Bonds II Phase II Year 2017 at principal value Rp5,100,000 in 4 (four) series, as follows:

- Series A: Principal value amounting to Rp1,131,000 with a fixed interest rate of 7.20% per annum, for a period of 370 (three hundreds and seventy) days that will mature on April 16, 2018.
- Series B: Principal value amounting to Rp1,743,500 with a fixed interest rate of 8.10% per annum, for a period of 3 (three) years that will mature on April 11, 2020.
- Series C: Principal value amounting to Rp925,000 with a fixed interest rate of 8.30% per annum, for a period of 5 (five) years that will mature on April 11, 2022.
- Series D: Principal value amounting to Rp1,300,500 with a fixed interest rate of 8.80% per annum, for a period of 10 (ten) years that will mature on April 11, 2027.

The interest of BRI Shelf Registration Bonds II Phase II Year 2017 is paid every 3 (three) months, starting from July 11, 2017. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On August 25, 2017 BRI issued Shelf Registration Bonds II Phase III Year 2017 at principal value Rp5,150,000 in 3 (three) series, as follows:

- Series A: Principal value amounting to Rp980,500 with a fixed interest rate of 7.60% per annum, for a period of 3 (three) years that will mature on August 24, 2020.
- Series B: Principal value amounting to Rp1,652,500 with a fixed interest rate of 8.00% per annum, for a period of 5 (five) years that will mature on August 24, 2022.
- Series C: Principal value amounting to Rp2,517,000 with a fixed interest rate of 8.25% per annum, for a period of 7 (seven) years that will mature on August 24, 2024.

The interest of BRI Shelf Registration Bonds II Phase III Year 2017 is paid every 3 (three) months, starting from November 24, 2017. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

b) BRI Shelf Registration Bonds II (continued)

On February 21, 2018, BRI issued Shelf Registration Bonds II Phase IV Year 2018 at principal value Rp2,442,000 in 2 (two) series, as follows:

- Series A: Principal value amounting to Rp1,837,000 with a fixed interest rate of 6.65% per annum, for a period of 5 (five) years that will mature on February 21, 2023.
- Series B: Principal value amounting to Rp605,000 with a fixed interest rate of 6.90% per annum, for a period of 7 (seven) years that will mature on February 21, 2025.

The interest of BRI Shelf Registration Bonds II Phase IV Year 2018 is paid every 3 (three) months, starting from May 21, 2018. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of June 30, 2018 and December 31, 2017, BRI Shelf Registration Bonds II obtained an idAAA rating from Pefindo. The net proceeds from the issuance of Shelf Registration Bonds will be used for credit granting.

One important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation neither takeovers of company.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with. BRI has settled its Shelf Registration Bonds II Phase I Series A with nominal value of Rp616,000 and Phase II Series A with nominal value of Rp1,131,000 on maturity date.

c) BRI Agro Bonds I

On July 7, 2017, after receiving the Notice of Effective Registration Statement from Financial Services Authority of Indonesia No. S-348/D.04/2017 dated June 22, 2017, BRI Agro issued BRI Agro Bonds I Year 2017 at principal value Rp500,000 in 2 (two) series as follows:

- Series A: Principal value amounting to Rp261,000 with a fixed interest rate of 8.25% per annum, for a period of 3 (three) years and will mature on July 7, 2020.
- Series B: Principal value amounting to Rp239,000 with a fixed interest rate of 8.50% per annum, for a period of 5 (five) years and will mature on July 7, 2022.

The interest of BRI Agro Bonds I Year 2017 is paid every 3 (three) months, starting from October 7, 2017. On the issuance date, Pefindo gave these Shelf Registration Bonds an idAA rating.

As of June 30, 2018 and December 31, 2017, BRI Agro Bonds I Year 2017 obtained an idAA rating from Pefindo. The net proceeds from the issuance of bonds will be used for credit granting. One important covenant stated in the agreement of BRI Agro Bonds I Year 2017 is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation neither takeovers of company.

d) BRI Bonds

On March 28, 2013, BRI issued and listed the BRI Bonds Year 2013 at nominal value USD500,000,000 (full amount) in Singapore Exchange Securities Trading Limited (SGX-ST) for a period of 5 (five) years, and matured on March 28, 2018 with a fixed interest rate of 2.95% per annum. The bonds were issued at 99.196% which were equivalent to USD495,980,000 (full amount). The interest is paid every 6 (six) months starting from September 28, 2013. On the issuance date, the bonds were rated Baa3 and BBB- by Moody's and Fitch, respectively.

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25. MARKETABLE SECURITIES ISSUED (continued)

d) BRI Bonds (continued)

The net proceeds from the issuance of BRI Bonds was used to strengthen BRI's general funding structure. As of December 31, 2017, 2016 and 2015, BRI Bonds Year 2013 were rated Baa3 and BBB- by Fitch and Moody's respectively. BRI has settled BRI Bonds Year 2013 with nominal value of USD500,000,000 (full amount) on its maturity date.

26. FUND BORROWINGS

Fund borrowings consist of:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
Bank Indonesia		
Liquidity loans	14,598	15,890
Others	9,307	12,644
	<u>23,905</u>	<u>28,534</u>
<u>Foreign currencies</u>		
Borrowings from China Development Bank		
Corporation net of unamortized transaction cost	14,063,714	13,402,803
Syndicate Loan - Club Loan		
net of unamortized transaction cost	7,832,176	7,394,230
Borrowings from BNP Paribas		
net of unamortized transaction cost	790,881	782,365
Bilateral Loan	721,802	684,214
Others	11,446,405	7,110,863
	<u>34,854,978</u>	<u>29,374,475</u>
Total	<u>34,878,883</u>	<u>29,403,009</u>

The classification of fund borrowings based on their remaining period until maturity are as follows:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	-	85
> 1 month - 3 months	85	1,294
> 3 months - 1 year	6,380	6,545
> 1 year - 5 years	8,133	7,966
> 5 years	9,307	12,644
	<u>23,905</u>	<u>28,534</u>
<u>Foreign currencies</u>		
≤ 1 month	-	679,742
> 1 month - 3 months	3,286,192	743,333
> 3 months - 1 year	10,590,148	6,372,001
> 1 year - 5 years	6,133,350	7,394,230
> 5 years	14,845,288	14,185,169
	<u>34,854,978</u>	<u>29,374,475</u>
Total	<u>34,878,883</u>	<u>29,403,009</u>

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26. FUND BORROWINGS (continued)

a. Borrowings from Bank Indonesia

Liquidity Loans

This account represents credit facilities obtained from Bank Indonesia to be channeled back to BRI's debtors, among others, for following purpose of Investment Loans, Primary Cooperatives Loans for Sugarcane Farmers, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilizers and others.

The average interest rates per annum for the three-month period and the year ended June 30, 2018 and December 31, 2017 are 0,02% respectively.

b. Syndicated Loan - Club Loan

On September 30, 2015, BRI obtained a syndicated loan facility in the form of Club Loan with a total loan of USD550,000,000 (full amount). This loan is facilitated by The Hongkong and Shanghai Banking Corporation Limited (agent), which is divided into:

1. Facility A, amounted to USD325,000,000 (full amount), with interest rate on three-month LIBOR plus certain margin per annum. The loan has a term of 42 (forty-two) months from the date of the agreement (including grace period) and will mature on March 30, 2019. The participating banks in this loan are:
 - Bank of America N.A. amounted to USD50,000,000
 - Citibank, N.A. amounted to USD30,000,000
 - Citibank, N.A. amounted to USD20,000,000
 - The Hong Kong and Shanghai Banking Corporation Limited amounted to USD50,000,000
 - Sumitomo Mitsui Banking Corporation amounted to USD50,000,000
 - Westpac Banking Corporation amounted to USD25,000,000
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000
 - BNP Paribas amounted to USD20,000,000
 - CTBC Bank Co., Ltd amounted to USD20,000,000
 - DBS Bank Ltd. amounted to USD20,000,000
 - United Overseas Bank Limited amounted to USD20,000,000
2. Facility B, amounted to USD155,000,000 (full amount), with interest rate on three-month LIBOR plus certain margin per annum. The loan has a term of 48 (forty eight) months from the date of the agreement (including grace period) and will mature on September 30, 2019. The participating banks in this loan are:
 - Oversea-Chinese Banking Corporation Limited amounted to USD50,000,000,
 - BNP Paribas amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - United Overseas Bank Limited amounted to USD20,000,000, and
 - Westpac Banking Corporation amounted to USD15,000,000
3. Facility C, amounted to USD70,000,000 (full amount), with interest rate on three-month LIBOR plus certain margin per annum. The loan has a term of 60 (sixty) months from the date of the agreement (including grace period) and will mature on September 30, 2020. The participating banks in this loan are:
 - CTBC Bank Co., Ltd. amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD10,000,000,
 - DBS Bank Ltd., amounted to USD10,000,000,
 - United Overseas Bank Limited amounted to USD10,000,000, and
 - Westpac Banking Corporation amounted to USD10,000,000

This syndicated loan is used to strengthen the long-term financing structure and maturity profile.

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26. FUND BORROWINGS (continued)

b. Syndicated Loan - Club Loan (continued)

The loan principal will be paid on maturity date while the loan interest will be paid every 3 (three) months. BRI does not give any collateral for this loan.

The financial covenants in this syndicated loans agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.

As of June 30, 2018 and December 31, 2017 BRI has met the important covenants as required in this agreement.

c. Borrowings from China Development Bank Corporation

On September 16, 2015, BRI signed a loan facility agreement from China Development Bank Corporation to finance long-term infrastructure projects and industries in Indonesia and cross-border transactions between Indonesia and the People's Republic of China. This loan consists of 2 (two) facilities, which are:

- Tranche A facility, amounted to USD700,000,000 (full amount), with interest rate on six-month LIBOR plus certain margin per annum. BRI made the first withdrawal on October 30, 2015 amounted to USD223,953,383 (full amount) and the second withdrawal on November 6, 2015 amounted to USD476,046,617 (full amount).
- Tranche B facility, amounted to RMB1,906,080,000 (equivalent to USD300,000,000) (full amount), with interest rate on six-month SHIBOR plus certain margin per annum. BRI made the first withdrawal on October 30, 2015 amounted to RMB609,818,661 (full amount) and the second withdrawal on November 6, 2015 amounted to RMB1,296,261,339 (full amount).

This long-term facility has a tenor of 10 (ten) years and will mature on September 16, 2025. The principal installments are paid every 6 (six) months, together with interest payments. For Tranche A facility, the first installment of the principal amounted to USD46,666,667 (full amount) commencing on September 16, 2018 up to maturity date. As for Tranche B facility, the first installment of the principal amounted to RMB127,072,000 (full amount) commencing on September 16, 2018 up to maturity date. BRI does not provide any guarantee for this loan.

The financial covenants in this loan agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Minimum Tier 1 ratio of 6%,
- Minimum Core Tier 1 ratio of 5%,
- Minimum Statutory Reserve in IDR ratio (GWM Rupiah) of 6.5%,
- Maximum Non-Performing Loan (NPL) ratio of 5%,
- Minimum Return On Assets (ROA) ratio of 0.6%.

As of June 30, 2018 and December 31, 2017 BRI has met the important covenants as required in this agreement.

d. Borrowings from BNP Paribas

On June 7, 2016, BRI entered into a loan facility agreement from BNP Paribas under an Export Credit Financing (ECA) scheme to finance the BRI'sat component and services launched by Arianespace France. This loan consists of 2 facilities, namely:

- Tranche Banque Publique d'Investissement (BPI) facility, amounted to USD49,961,501.23 (full amount), with certain interest rate per annum. BRI conducted all loan drawdowns on August 31, 2017.
- The Tranche Hermes facility, amounted to USD9,901,308.77 (full amount), with interest rate on six-month LIBOR plus certain margin per annum. BRI conducted all loan drawdowns on August 31, 2017.

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26. FUND BORROWINGS (continued)

d. Borrowings from BNP Paribas (continued)

This loan facility has a tenor of 7 (seven) years 6 (six) months which will mature on February 3, 2025 with an interest rate of 2.68% per annum for the Tranche BPI facility and a monthly LIBOR of 6 (six) plus a certain margin per year for Tranche Hermes facility where interest payments are made every 6 (six) months.

The principal installments are paid every 6 (six) months, together with interest payment. For Tranche BPI facility, the first installment of the principal commencing on February 5, 2018 amounted to USD3,330,767 (full amount) up to maturity. As for Tranche Hermes facility, the first installment of the principal amounted to USD660,087 (full amount) commencing on February 5, 2018 up to maturity. BRI does not provide any guarantee for this loan.

The financial covenants in this loan agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%

As of June 30, 2018 and December 31, 2017 BRI has met the important covenants as required in this agreement.

e. Other borrowings

	June 30, 2018		December 31, 2017	
	Notional Amount Foreign currencies/ (Full amount)	Rupiah Ekuivalent	Notional Amount Foreign currencies/ (Full amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Bank Indonesia		9,307		12,644
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Commerzbank, A.G.	140,000,000	2,006,200	-	-
Citibank, N.A.	125,000,000	1,791,250	75,000,000	1,017,562
Bank of Montreal	100,000,000	1,433,000	220,000,000	2,984,850
N.A.	100,000,000	1,433,000	25,000,000	339,188
DBS Bank	100,000,000	1,433,000	-	-
Bank of America N.A.	75,000,000	1,074,750	75,000,000	1,017,562
The Bank of New York Mellon	60,000,000	859,800	65,000,000	881,888
Standard Chartered Bank	50,000,000	716,500	25,000,000	339,188
The Bank of Tokyo- Mitsubishi UFJ	30,154,920	432,120	-	-
Wells Fargo Bank, CTBC Bank Co, Ltd	13,650,000	143,526	-	-
Oversea-Chinese Banking Corporation Limited	-	-	24,511,666	332,562
PT Bank Sumitomo Mitsui Indonesia	6,825,000	71,764	10,000,000	135,600
		<u>11,394,910</u>		<u>7,048,400</u>

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26. FUND BORROWINGS (continued)

e. Other borrowings (continued)

	June 30, 2018		December 31, 2017	
	Notional Amount		Notional Amount	
	Foreign currencies/ (Full amount)	Rupiah Ekuivalent	Foreign currencies/ (Full amount)	Rupiah Ekuivalent
<u>Third parties (continued)</u>				
<u>Foreign currencies (continued)</u>				
<u>European Euro</u>				
CTBC Bank	3,084,592	51,495	2,864,858	46,514
Commerzbank, A.G.	-	-	982,320	15,949
		51,495		62,463
		11,446,405		7,110,863
Total		11,455,712		7,123,507

Other borrowings facilities in foreign currencies represent short-term borrowings obtained from several foreign banks with terms from 1 (one) month up to 1 (one) year and bear interest rate at LIBOR or EURIBOR plus a certain margin, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a. The details of estimated losses on commitments and contingencies which bear credit risk are as follows:

	June 30 2018	December 31 2017
<u>Rupiah</u>		
Guarantees issued	1,110	2,134

b. Movements in estimated losses on commitments and contingencies:

	30 Juni 2018	31 Desember 2017
<u>Rupiah</u>		
Saldo awal tahun	2,134	895
Provision during the year	(1,025)	1,239
Ending balance	1,109	2,134

BRI assessed commitment and contingency transactions which bear credit risks individually based on whether an objective evidence of impairment exists, except for the commitment and contingency transactions owned by BRIS (Subsidiary) (based on sharia principles) in which assessment was performed using a collectibility guidance of Bank Indonesia.

The minimum estimated losses on commitments and contingencies based on Bank Indonesia regulation amounted to Rp1,110 and Rp2,134 as of June 30, 2018 and December 31, 2017 respectively. Management believes that the amount is adequate.

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27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c. The collectibility of Bank Guarantee issued and the Irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2ao and 43):

	June 30, 2018		December 31, 2017	
	Notional Foreign currencies/ (Full amount)	Rupiah Ekuivalent	Notional Foreign currencies/ (Full amount)	Rupiah Ekuivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Guarantees issued		3,751,701		5,622,512
Irrevocable L/C		1,039,609		719,945
		<u>4,791,310</u>		<u>6,342,457</u>
<u>Foreign currencies</u>				
Guarantees issued				
United States Dollar	820,470,475	11,757,342	783,830,900	10,634,626
European Euro	14,476,335	241,674	15,756,226	255,821
Malaysian Ringgit	8,500,000	30,168		-
Thailand Baht	1,698,923	735		-
Norwegian Kroner	50,909	539		-
		<u>12,030,458</u>		<u>10,890,447</u>
Irrevocable L/C				
United States Dollar	137,920,818	1,976,405	155,008,887	2,103,083
European Euro	18,853,946	314,756	20,769,936	337,225
Japanese Yen	75,386,420	9,755	57,180,643	6,891
Renminbi	3,139,486	6,799	2,400,000	5,001
Great Britain				
Pound Sterling	606,519	6,377	511,882	9,381
Swiss Franc	246,403	4,648	18,380	255
Singapore Dollar	112,757	1,627	588,866	5,980
Australian Dollar	126,000	1,335		-
		<u>2,321,702</u>		<u>2,467,816</u>
		<u>14,352,161</u>		<u>13,358,263</u>
<u>Related Party</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Guarantees Issued		6,676,342		10,411,205
Irrevocable L/C		1,411,517		919,438
		<u>8,087,859</u>		<u>11,330,643</u>

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27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c. The collectibility of Bank Guarantee issued and the Irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2ao and 43) (continued):

	June 30, 2018		December 31, 2017	
	Notional Foreign currencies/ (Full amount)	Rupiah Ekuivalent	Notional Foreign currencies/ (Full amount)	Rupiah Ekuivalent
Third parties				
(Note 44)				
<u>Foreign currencies</u>				
Guarantees issued				
United States Dollar	477,629,106	6,844,425	479,169,690	6,501,135
European Euro	28,506,273	475,897	32,281,032	524,122
Thailand Baht	174,104,000	75,307		-
Japanese Yen	503,100,000	65,099	324,000,000	39,047
Canadian Dollar	1,240,000	13,440	1,240,000	13,419
Malaysian Ringgit		-	8,500,000	28,493
		<u>7,474,167</u>		<u>7,106,216</u>
<u>Irrevocable L/C</u>				
United States Dollar	510,392,496	7,313,924	239,833,977	3,253,948
European Euro	70,085,445	1,170,038	89,256,297	1,449,185
Japanese Yen	1,041,075,655	134,710	374,485,163	45,131
Great Britain				
Pound Sterling	2,662,202	50,220	6,038,100	110,652
Australian Dollar	588,858	6,238	1,199,000	12,702
Singapore Dollar	119,985	1,262	182,613	1,854
Renminbi	412,960	894		-
		<u>8,677,286</u>		<u>4,873,472</u>
		<u>16,151,453</u>		<u>11,979,688</u>
Total		<u>43,382,783</u>		<u>43,011,051</u>

28. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	June 30 2018	December 31 2017
Bonuses and incentives	6,335,810	7,962,072
Provision for grand leaves (Note 42e)	1,771,941	1,560,648
Provision for work separation scheme (Note 42d)	1,245,459	1,335,477
Provision for gratuity for services (Note 42e)	1,175,026	1,072,802
Provision for BPJS post employment health program (Note 42e)	-	243,259
	<u>10,528,236</u>	<u>12,174,258</u>

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29. OTHER LIABILITIES

Other liabilities consist of:

	June 30 2018	December 31 2017
<u>Third parties</u>		
<u>Rupiah</u>		
Liability for future policy benefits	4,923,446	4,823,808
Subsidy funds Kemenpupera	1,529,955	1,291,497
Interests payable	1,165,431	1,311,391
Provision for litigation liabilities (Note 45b)	1,058,041	971,354
Investment contract liabilities	886,742	699,564
Outsourcing services	600,851	600,851
Provision for timely-payment of interests (Note 2z)	571,096	669,194
Credit card liabilities	244,300	151,406
Unearned income	215,103	64,590
Unearned premiums	133,898	136,658
Temporary syirkah funds	62,048	63,967
Accrued profit sharing	51,773	35,683
Provision for simpedes gift tax	27,089	24,222
Reinsurance debt	26,542	20,481
Guarantee deposits	17,854	18,476
Estimates liability claims	2,923	91,697
Others	2,678,389	1,358,391
	<u>14,195,481</u>	<u>12,333,230</u>
<u>Foreign currencies</u>		
Interest payable	411,301	327,659
Unearned income	173,195	164,541
Others	440,376	460,226
	<u>1,024,872</u>	<u>952,426</u>
Total	<u>15,220,353</u>	<u>13,285,656</u>

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES

BRI obtained subordinated loans and marketable securities with details as follows:

	June 30 2018	December 31 2017
<u>Rupiah</u>		
Subordinated Sukuk Mudharabah I	972,000	972,065
Two-step loan	3,823	14,385
Subordinated Bond III	500,000	-
Total	<u>1,475,823</u>	<u>986,450</u>

a. Subordinated Sukuk Mudharabah I

On November 17, 2016, BRISyariah (subsidiary) issued Rp1,000,000 Subordinated *Sukuk Mudharabah I* Year 2016 which was issued at 100.00% of its nominal value using profit sharing method. The amount of Sukuk holder's nisbah was 80.2013% which was calculated from liquid gross revenue, which was indicated to be 11.8452%.

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30. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

a. Subordinated Sukuk Mudharabah I (continued)

Profit sharing will be paid every 3 (three) months and will be due on November 16, 2023. Subordinated Sukuk *Mudharabah I* was rated A+(idn) by Fitch on publication date.

The receipt from the issuance of the Subordinated *Sukuk Mudharabah I* is used to strengthen the capital structure to support business development activities through financing.

The Subordinated *Sukuk Mudharabah I* is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and is not included in the bank guarantee program implemented by the Deposit Insurance Agency (Lembaga Penjamin Simpanan/LPS) or other insurance corporation.

As of June 30, 2018 and December 31, 2016, the Subordinated *Sukuk Mudharabah I* was rated A+(idn) by Fitch. Acting as trustee for the Subordinated *Sukuk Mudharabah I* is PT Bank Negara Indonesia (Persero) Tbk.

BRISyariah (subsidiary) is required to have written approval from the trustee before conducting the following:

- Issuing another Sukuk or MTN with higher ranking and have priority in payment over Subordinated *Sukuk Mudharabah*.
- Changing its main business.
- Reducing of authorized, issued and paid capital stock.
- Conducting merger, consolidation, acquisition with other parties which caused dissolution of BRISyariah, or would have negative impact on business continuity.
- Selling or transferring premises and equipments of BRISyariah to other parties, either all or most (over 50%) of BRISyariah's premises and equipments based on the audited financial statement.
- Conducting transactions with affiliated parties, unless either the transaction is performed under favorable terms for BRISyariah or at least equal to the requirements obtained by BRISyariah from independent third parties in prevalent transactions.
- Providing financing or investment in shares to other parties.

Management believes that all requirements/restrictions set forth in the trustee agreement have been met.

b. Pinjaman two-step loan

The two-step loans in Rupiah represent the loans from the Government which were funded by the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD), and United States Agency for International Development (USAID) and Islamic Development Bank (IDB). The interest rates of these loans vary based on the respective agreements with terms ranging from 15 (fifteen) up to 40 (forty) years. The average annual interest rates for subordinated loans and marketable securities were 3.43%, 4.06%, 4.27% and 4.33%, for the period and year ended March 31, 2018, December 31, 2017, 2016 and 2015, respectively. These loans will mature on various dates up to 2027.

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30. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

c. Obligasi Subordinasi III Tahun 2019

On June 26, 2018, BRI Issued Rp500.000 Subordinated Bond III year 2018 with an interest rate of 7.70% per annum for a period of 5 (five) years and will mature on June 26, 2023. The interest of Subordinated Bonds III 2018 will be paid every 3 (three) months starting on June 26, 2018. When Subordinated Bonds are issued III is rated by Pefindo with an AA rating.

The classification of subordinated loans and marketable securities based on their remaining period until maturity are as follows:

	June 30 2018	December 31 2017
Rupiah		
≤ 1 month	3,823	-
> 3 months - 1 year	-	10,312
> 1 year - 5 years	500,000	-
> 5 years	972,000	976,138
Total	1,475,823	986,450

31. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dw i w a r n a Share	1	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00%
Total	300,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dw i w a r n a Share				
Republic of Indonesia	1	50	50	0.00%
Series B Common Shares				
Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75%
Directors:				
- Sis Apik Wijayanto	800,000	50	40,000,000	0.00%
- Ahmad Solichin Lutfiyanto	585,000	50	29,250,000	0.00%
- Osbal Saragi Rumahorbo	410,500	50	20,525,000	0.00%
- Mohammad Irfan	170,000	50	8,500,000	0.00%
- R. Sophia Alizsa	31,000	50	1,550,000	0.00%
Public	52,235,223,500	50	2,611,761,175,000	42.35%
	122,237,220,000		6,111,861,000,000	99.10%
Treasury stocks (Note 1d)	1,108,590,000		55,429,500,000	0.90%
Total	123,345,810,000		6,167,290,500,000	100.00%

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31. EQUITY (continued)

a. Capital stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of June 30, 2018 and December 31, 2017 are as follows:

	December 31, 2017			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dw i w a r n a Share	1	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00%
Total	300,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dw i w a r n a Share				
Republic of Indonesia	1	50	50	0.00%
Series B Common Shares				
Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75%
Directors:				
- Susy Liestiw a t y	2,900,000	50	145,000,000	0.00%
- Sis Apik Wijayanto	700,000	50	35,000,000	0.00%
- Mohammad Irfan	170,000	50	8,500,000	0.00%
- Donsuw an Simatupang	142,500	50	7,125,000	0.00%
- R. Sophia Alizsa	25,000	50	1,250,000	0.00%
Public	52,233,282,500	50	2,611,664,125,000	42.35%
	122,237,220,000		6,111,861,000,000	99.10%
Treasury stocks (Note 1d)	1,108,590,000		55,429,500,000	0.90%
Total	123,345,810,000		6,167,290,500,000	100.00%

Series A Dwiwarna share is the share that gives the shareholder preferential rights to approve the appointment or dismissal of Commissioners and Directors, changes in Articles of Association, approve on BRI's merger, dissolution, acquisition and separation, submission of request for bankruptcy and liquidation of BRI.

Series B shares are common shares that can be owned by the public.

b. Additional Paid-in Capital

The details of additional paid in capital as of June 30, 2018 and December 31, 2017 are as follows:

Additional capital by the Government related to the recapitalization program	1,092,144
Previous balance of paid up capital by the Government	5
Additional paid-in capital from IPO	589,762
Exercise of stock options	
Year 2004	49,514
Year 2005	184,859
Year 2006	619,376
Year 2007	140,960
Year 2008	29,013
Year 2009	14,367
Year 2010	43,062

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31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

The details of additional paid in capital as of June 30, 2018 and December 31, 2017 are as follows:

Stock Option MSOP Stage-I which already expired	504
Stock Option MSOP Stage-II which already expired	1,845
Stock Option MSOP Stage-III which already expired	8,447
Total	<u>2,773,858</u>

In line with the realization of the Recapitalization Program for Commercial Banks as set forth in Government Regulation No. 52 Year 1999 on the "Increase in Investment by the Republic of Indonesia in State-Owned Banks", the Government determined that the recapitalization requirement amount of BRI to achieve Capital Adequacy Ratio (CAR) of 4% was Rp29,063,531.

Up to June 30, 2003, the authorized and issued capital stock of BRI has not yet been increased by additional capital from the above recapitalization program, therefore, the paid up capital from the Government of Rp29,063,531 was recorded temporarily under "Additional Paid-in Capital" together with the previous balance of paid up capital of Rp5 from the Government.

Based on the Decision Letter of the Ministry of Finance No. 427/KMK.02/2003 dated September 30, 2003, the final recapitalization requirement of BRI amounted to Rp29,063,531. The amount of Rp3,272,000 was converted to paid up capital and the remaining balance of Rp25,791,531 was recorded as additional paid-in capital. Moreover, with the implementation of the quasi-reorganization by BRI, the accumulated losses before quasi-reorganization as of June 30, 2003 amounting to Rp24,699,387 was eliminated against additional paid-in capital, resulting in additional paid-in capital amounting to Rp1,092,149 as of June 30, 2003.

On November 10, 2003, BRI conducted an IPO by issuing 1,764,705,000 new Series B common shares with a par value of Rp500 (full amount) per share at the offering price of Rp875 (full amount) per share, resulting in additional paid-in capital as follows:

Total new Series B Common shares issued to the public under the IPO (shares) (Note 1c)	1,764,705,000
Premium per share (full Rupiah)	375
Total premium on shares before discount	661,764
Less:	
3% discount given to BRI customers	(2,961)
Cost of IPO	(69,041)
Additional paid-in capital from IPO	<u>589,762</u>

In accordance with the Special Annual Shareholders' Meetings on October 3, 2003, as disclosed in the Deed No. 6 Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock options which is to be implemented within 3 (three) phases. Stock options are granted to Directors and employees who hold certain levels and positions and who have fulfilled the stipulated vesting requirements (Management Stock Option Plan (MSOP)).

The compensation cost of the MSOP is recognized as stock options which is part of equity.

BRI employees started to exercise their stock options for MSOP I on November 10, 2004, MSOP II on November 10, 2005 and MSOP III on November 15, 2006.

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31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

MSOP I, II and III stock options that have been exercised from 2004 to 2010 amounted to 569,876,000 shares where there were 4,728,500 shares in 2010, 4,553,000 shares in 2009, 7,499,000 shares in 2008, 31,379,000 shares in 2007, 250,721,000 shares in 2006, 185,610,000 shares in 2005 and 85,385,500 shares in 2004. The additional paid-in capital arising from the exercise of stock options amounted to Rp43,062 in 2010, Rp14,367 in 2009, Rp29,013 in 2008, Rp140,960 in 2007, Rp619,376 in 2006, Rp184,859 in 2005 and Rp49,514 in 2004.

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences resulting from the translation into Indonesian Rupiah of the financial statements of BRI branch/representative offices located abroad (Cayman Islands, New York, Hong Kong, Singapore and Timor Leste) and its subsidiaries whose functional currencies are in United States Dollar, Hong Kong Dollar and Singapore Dollar (Note 2aj). Assets and liabilities as well as commitments and contingencies denominated in foreign currencies were translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian time) as of the date of the statements of financial position. The interim consolidated statements of profit or loss and other comprehensive income for the three-month period ended as of March 31, 2018 and 2017 and year ended as of December 31, 2017, 2016 and 2015 is derived from the accumulation of the monthly consolidated statements of profit or loss and other comprehensive income balances which are translated into Rupiah by using the average mid-rate of currency exchange for respective month.

d. Distribution of Net Income

Based on the Annual General Shareholders' Meetings of BRI held on March 12, 2018 and March 15, 2017, pemegang saham menyetujui pembagian dividen dari laba neto untuk tahun yang berakhir pada tanggal-tanggal 31 December 2017 dan 2016 dengan penggunaan sebagai berikut:

	Income for the year 2017	Income for the year 2016
Dividends	13,048,441	10,478,309

e. Reclassification of Appropriated Retained Earnings

In order to maintain its capital structure, BRI has reclassified Rp15,093,056 of its appropriated retained earnings into unappropriated retained earnings. This is in conjunction with the change in the Regulation of Indonesia Financial Services Authority (POJK) No.34/POJK.03/2016 dated September 26, 2016 regarding "Changes to POJK No.11/POJK.03/2016 on Minimum Capital Adequacy Requirement for Banks".

f. Share Ownership Program

Taking into account the development of BRI's business performance also in order to increase the employee's sense of belonging to the company and provide long-term incentives for workers to achieve the set targets, the BRI's Board of Directors decided to provide a share ownership bonus program for management and employees / Management and Employee Stock Ownership Program (MESOP). The allocation of shares is given to each worker based on individual and company performance.

The MESOP program will be completed no later than March 31, 2020 and will be paid out with shares. The fair value of MESOP at the time of grant (January 1, 2018) amounted to Rp541,925. The fair value of MESOP is amortized over the vesting period and is recognized in profit and loss and other comprehensive income, while the accumulated cost allocation during the vesting period is recognized in equity.

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32. INTEREST AND SHARIA INCOME

Interest income are derived from:

	Six Month Period Ended	
	June 30	
	2018	2017
<u>Rupiah</u>		
Loans		
Micro	22,616,198	21,385,858
Retail	18,655,943	16,053,781
Corporate	3,702,945	4,578,033
Securities		
Fair value through profit or loss		
Government bonds	44,049	16,812
Bonds	83	-
Available for sale		
Government bonds	1,168,335	1,109,587
Certificates of Bank Indonesia	-	187,287
Deposit Certificates of Bank Indonesia	725,347	358,867
Bonds	330,940	33,685
Negotiable Certificate of Deposits	25,177	-
Medium Term Notes	4,968	9,193
Mutual Fund	1,830	-
Held to maturity		
Government bonds	886,551	1,382,581
Bonds	136,601	132,288
Negotiable Certificate Deposit	7,580	56,249
Medium Term Notes	997	12,075
Subordinate Obligasi	-	8,849
Deposit Certificates of Bank Indonesia	2,738	-
Certificates of Bank Indonesia	-	9,350
Government Recapitalization Bonds		
Available for sale	10,232	12,626
Held to maturity	48,706	65,394
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	80,256	346,451
Inter-bank call money	40,941	104,512
Others	66,762	51,989
Current accounts with Bank Indonesia	86,151	71,699
Others	1,051,008	422,993
	<u>49,694,338</u>	<u>46,410,159</u>
<u>Foreign Currencies</u>		
Loans		
Corporate	940,663	1,190,597
Retail	147,710	138,257
Securities		
Fair value through profit or loss		
Government bonds	2,971	3,250
Certificates of Bank Indonesia	-	205

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32. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Six Month Period Ended June 30	
	2018	2017
<u>Mata uang asing (lanjutan)</u>		
Efek efek (lanjutan)		
Tersedia untuk dijual		
Government bonds	382,880	383,934
Certificates of Bank Indonesia	34,225	25,490
Bonds	13,550	18,725
Held to maturity		
Government bonds	93,729	183,266
Bonds	18,529	11,769
Certificates of Bank Indonesia	-	10,766
Notes Receivable	-	6,187
Placements with Bank Indonesia		
Deposit Facility/Term Deposit	117,792	87,968
Inter-bank Call Money	66,598	34,311
Others	642,863	352,663
	<u>2,461,510</u>	<u>2,447,388</u>
	<u>52,155,848</u>	<u>48,857,547</u>
 Sharia income are derived from:		
Murabahah	716,799	748,552
Musyarakah	289,940	334,052
Otyhers	481,213	288,079
Total Sharia income	<u>1,487,952</u>	<u>1,370,683</u>
Total	<u>53,643,800</u>	<u>50,228,230</u>

33. INTEREST AND SHARIA EXPENSE

This account represents interest expense incurred on:

	Six Month Period Ended June 30	
	2018	2017
<u>Rupiah</u>		
Time deposits	7,423,390	7,551,534
Saving deposits	1,471,249	1,296,296
Demand deposits	1,271,428	987,888
Marketable securities issued	1,097,286	889,329
Deposits from other banks and financial institutions	156,551	197,959

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33. INTEREST AND SHARIA EXPENSE (continued)

This account represents interest expense incurred on (continued):

	Six Month Period Ended June 30	
	2018	2017
<u>Rupiah (continued)</u>		
Fund borrowings	172,235	72,304
Securities sold under agreement to repurchase	154,057	268,301
Subordinated loans	541	4,549
Others	1,204,088	1,121,068
	<u>12,950,825</u>	<u>12,389,228</u>
<u>Foreign Currencies</u>		
Time deposits	633,940	483,015
Fund borrowings	613,496	514,722
Deposits from other banks and financial institutions	193,571	85,045
Securities sold under agreement to repurchase	178,732	11,889
Marketable securities issued	51,419	68,728
Demand deposits	42,724	41,046
Saving deposits	1,597	1,538
Others	64,763	115,416
	<u>1,780,242</u>	<u>1,321,399</u>
Total Interest Expense and others	<u>14,731,067</u>	<u>13,710,627</u>
Sharia expense consists of:		
Mudharabah deposits	583,278	539,136
Others	84,956	59,245
Total Sharia expense	<u>668,235</u>	<u>598,381</u>
Total	<u>15,399,302</u>	<u>14,309,008</u>

34. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents expense (reversal) provision for impairment losses on financial assets as follows:

	Six Month Period Ended June 30	
	2018	2017
Loans (Note 12)	10,273,924	10,680,691
Sharia receivables and financing (Note 13)	92,795	72,666
Finance lease receivables (Note 14)	7,059	1,161
Total	<u>10,373,778</u>	<u>10,754,518</u>

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35. SALARIES AND EMPLOYEE BENEFIT

The details of this account are as follows:

	Six Month Period Ended	
	June 30	
	2018	2017
Salaries, wages and allowances	5,790,828	4,999,413
Bonuses, incentives and tantiem	3,129,587	3,960,665
Grand leaves (Note 42e)	301,584	254,127
Training and development	273,858	213,249
Medical allowances	167,534	197,090
Work separation scheme (Note 42d)	166,851	143,971
Jamsostek contribution	164,166	302,647
Defined contribution pension (Note 42c)	150,335	125,310
Defined benefit pension (Note 42a)	126,757	108,044
Gratuity for services (Note 42e)	102,592	1,242
Post employment BPJS health program (Note 42e)	70,302	-
Others	406,072	137,795
Total	10,850,466	10,443,553

For the period ended June 30, 2018 and 2017 salaries and allowances of the Board of Directors amounted to Rp40,056, and Rp38,010, respectively, and of the Board of Commissioners amounted to Rp15,481, and Rp13,957, respectively (Note 44).

Bonuses, incentives and *tantiem* of BRI's Boards of Directors, Commissioners and key employees amounted to Rp414,486 and Rp370,777 for the period ended June 30, 2018 and 2017 (Note 44).

36. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	Six Month Period Ended	
	June 30	
	2018	2017
Outsourcing service	1,557,296	1,403,009
Depreciation of premises and equipment (Note 17)	817,236	748,260
Rent	702,968	713,366
Repairs and maintenance	479,429	495,892
Transportation	231,970	379,596
Electricity and water	303,010	287,449
Office supplies	133,089	142,573
Printing and postage	156,846	152,248
Communications	31,949	85,802
Professional fees	63,488	63,695
Computer installations	79,055	20,917
Research and product development	16,743	6,664
Others	1,745,071	1,257,236
Total	6,318,150	5,756,707

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37. NON OPERATING INCOME - NET

The details of this account are as follows:

	Six Month Period Ended June 30	
	2018	2017
Gain on sale of premises and equipment	1,639	5,767
Rent income	2,658	3,794
Others - net	12,674	74,608
Total	16,971	84,169

38. TAXATION

a. Taxes Payable

As of June 30, 2018 and December 31, 2017, the details of taxes payable are as follows:

	June 30 2018	December 31 2017
<u>BRI (Parent Entity)</u>		
Income tax		
Article 25	777,615	-
Article 29	-	470,272
	777,615	470,272
<u>Subsidiaries</u>		
Income tax		
Article 21	11,005	12,314
Article 22	162	51
Article 23	580	680
Article 25	11,469	677
Article 29	5,147	50,485
Article 4 (2)	31,533	27,317
Value-added tax	2,389	3,002
	62,285	94,526
Total	839,900	564,798

b. Tax Expense

	Six Month Period Ended June 30	
	2018	2017
<u>BRI (Parent Entity)</u>		
Current tax expense of:		
Current year	3,956,907	3,760,992
Prior year tax examination	-	-
Deferred income tax benefit	(523,196)	(1,009,218)
	3,433,711	2,751,774

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38. TAXATION (continued)

b. Tax Expense (continued)

	Six Month Period Ended June 30	
	2018	2017
<u>Subsidiaries</u>		
Current tax expense of:		
Current year	110,526	80,491
Prior year tax examination	-	4,653
Deferred income tax (benefit) expense	5,197	(27,469)
	<u>115,723</u>	<u>57,675</u>
Total	<u>3,549,434</u>	<u>2,809,449</u>

The reconciliation between income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income and estimated taxable income are as follows:

	Six Month Period Enden June 30	
	2018	2017
Income before tax expense in accordance with the interim consolidated statement of profit or loss and other comprehensive income	18,331,236	16,257,941
Income of Subsidiaries	<u>(342,053)</u>	<u>(371,475)</u>
Income before tax expense BRI (Parent Entity)	<u>17,989,183</u>	<u>15,886,466</u>
Temporary Difference :		
Reversal for allowance for possible losses on earning assets	1,890,295	3,765,975
Establishment (reversal) of allowance for employee expenses	18,097	235,901
Unrealized gain (loss) on FVTPL securities and Government Recapitalization Bonds	15,248	(8,172)
Depreciation of premises and equipments	<u>27,365</u>	<u>43,169</u>
	<u>1,951,005</u>	<u>4,036,873</u>
Permanent Difference :		
Representation public relations	123,068	76,829
Physical and spiritual development	78,712	26,661
Income subject to final rate income tax	18,072	15,864
Part of Associate income	-	(1,816)
Others	(720)	-
	<u>(516,565)</u>	<u>(1,235,915)</u>
	<u>(297,433)</u>	<u>(1,118,377)</u>
Estimated taxable income	<u>19,642,755</u>	<u>18,804,962</u>

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38. TAXATION (continued)

b. Tax Expense (continued)

The calculation of corporate income tax expense and debt is as follows:

	Six month periode Ended June 30	
	2018	2017
<u>Parent Entity</u>		
Current Tax expense	(3,956,907)	(3,760,992)
Payment of income tax installments during the current period	3,179,292	5,667,211
Estimated bills (debt) income tax - Article 29	<u>(777,615)</u>	<u>1,906,219</u>
<u>Subsidiaries</u>		
Current Tax expense	(110,526)	-
Payment of income tax installments during the current period	<u>115,910</u>	-
Income tax bills / (debt) Article 29	<u>5,384</u>	<u>-</u>

According to decree of the General Directorate of Tax No. PBK-00005/I/WPJ.19/KP.0403/2018, No. PBK-00006/I/WPJ.19/KP.0403/2018, and No. PBK-00004/I/WPJ.19/KP.0403/2018 on January 5, 2018, has been approved overbooking installment of income tax article 25 for fiscal period January 2017 and February 2017 amounting to Rp618,302 to fiscal period January 2018 and overbooking installment of income tax article 25 for fiscal period March 2017 amounting to Rp309,151 to fiscal period February 2018.

The reconciliation of income tax expense by multiplying income before tax expense to the applicable tax rate are as follows:

	Six Month Period Ended June 30	
	2018	2017
Income before tax expense in accordance with the interim consolidated statement of profit or loss and other comprehensive income	18,331,236	16,257,941
Income of Subsidiaries	<u>(342,053)</u>	<u>(371,475)</u>
Income before tax expense BRI (Parent Entity)	17,989,183	15,886,466
Tax expense with a tax rate of 20%	3,597,837	3,177,293
Tax effect on permanent differences	<u>(59,486)</u>	<u>(223,675)</u>

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38. TAXATION (continued)

b. Tax Expense (continued)

The reconciliation of income tax expense by multiplying income before tax expense to the applicable tax rate are as follows (continued):

	Six Month Period Ended	
	June 30	
	2018	2017
Effect of different rate used in deferred tax calculation	(104,639)	(201,844)
Tax expense - Parent Entity	3,433,711	2,751,774
Tax expense - Subsidiaries	115,723	57,675
	3,549,434	2,809,449

Estimated taxable income in 2016 are consistent with Annual Tax Return (SPT) for corporate income tax reported by BRI to Tax Office (KPP).

Assessment for fiscal year 2010

The General Directorate of Tax based on Tax Assessment Letter No. 00003/206/10/093/12 dated November 28, 2012, affirmed the under payment of Income Tax amounting to Rp1,484,041 which was already approved by BRI amounting to Rp34,529. Management believes that the treatment of the tax under payment not approved by BRI is already in accordance with the existing tax regulations.

On February 27, 2013, BRI has contested the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012. To qualify for the requirement of objection, BRI has paid deposit amounting to Rp1,449,512 to the State Treasury on February 28, 2013. According to a decree of the General Directorate of Tax No. KEP-229/WPJ.19/2014 dated February 18, 2014, the request was rejected, then on May 12, 2014, BRI filed an appeal to the Tax Court.

Based on the trial fact that has taken place on November 17, 2014 and December 8, 2014, where BRI has a better chance to resolve the tax dispute at the appeals level, BRI management believes that the provision made for possible losses of the appeal process until the appeal decision amounted to Rp724,756, which was already charged in 2013 amounting to Rp483,171 and in 2014 amounting to Rp241,585, the remaining provision amounting to Rp724,756 was still recorded in the other asset account - prepaid tax (Note 18).

Based on Tax Court Decision No. PUT-63381/PP/M.XVA/15/2015 pronounced by the judges in the open session for public dated August 24, 2015, the Tax Court has granted the BRI's appeal for the decision of the The Directorate General of Taxation No. KEP-229/WPJ.19/2014 dated February 18, 2014 on an objection to the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012.

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38. TAXATION (continued)

b. Tax Expense (continued)

Assessment for fiscal year 2010 (continued)

Based on the decision of the The Directorate General of Taxation No. KEP-00003.PPH/WPJ.19/KP.0403/2016 dated January 8, 2016 and the Overpayment of Tax Assessment Letter of Income Tax No. 80006/093-0006-2016 as of January 8, 2016, BRI has received the repayment of the Over Payment of income tax amounting Rp1,448,498 after the adjustment in BRI's tax payable amounting Rp1,013, as of February 24, 2016.

Tax for revaluation of premises and equipments

BRI through the letter No. 830-DIR/AMK/11/2015 on November 30, 2015 has submitted an application to the head of Regional Office of Directorate General of Taxation (DGT) Large Taxpayer Tax Office regarding "Application for Revaluation of premises and equipments for tax purposes in 2015 by tax payers that have not revalued premises and equipments".

Based on Decree of Finance Minister No. 191/PMK.010/2015 dated October 15, 2015 as amended by Decree of Finance Minister No. 233/PMK.03/2015 dated December 21, 2015, the application filed until December 31, 2015, will receive special treatment in the form of reduction in the income tax rates to 3% final tax. In conjunction with this, BRI has estimated the premises and equipments fair value such as land and building, and for the increase in premises and equipments fair value compared to the book value, BRI has made tax payment amounting to Rp245,357 on December 2, 2015, even though the revaluation is still not approved by the Directorate General of Taxation. Tax payment has recorded it under other assets – prepaid tax (Note 18).

As of April 1, 2016, BRI revaluated the carrying value of land upwards by Rp14,315,527 of which this amount is taxed at Rp490,835. The Directorate General of Taxation through its Decision Letter No. KEP-479/WPJ.19/2016 dated July 29, 2016 has given its approval over this matter.

Assessment for fiscal year 2011

The Directorate General of Taxation through its Decision Letter No. 00025/207/11/093/16 dated June 2, 2016, has stated that the Underpayment Value Added Tax for goods and services amounting to Rp3,284 and its fine amounting to Rp443, have been billed through Letter of Income Tax No. 00025/107/11/093/16 dated June 2, 2016 has been approved by BRI.

The Directorate General of Taxation through its Decision Letter No. 00003/201/11/093/16 dated May 30, 2016, has stated that the Underpayment of income tax in article 21 amounting to Rp49,656 has been approved by BRI.

The Directorate General of Taxation through its Decision Letter No. 00005/203/11/093/16 dated June 1, 2016, has stated that the Underpayment of income tax in article 23 amounting to Rp8,015 has been approved by BRI.

The Directorate General of Taxation through its Decision Letter No. 00005/206/11/093/16 dated May 30, 2016, has stated that the Underpayment of income tax amounting to Rp466,188 has been approved by BRI.

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38. TAXATION (continued)

b. Tax Expense (continued)

Income Tax Collection Letter for fiscal year 2014

The Directorate General of Taxation based on Tax Collection Letter No.90002/106/14/093/15 dated December 29, 2015, affirmed the underpayment of Income Tax for fiscal year 2014 amounting to Rp1,603,100 and administration sanction amounting to Rp256,496, in conjunction with the correction of Bank Indonesia minimum balance of allowance for impairment losses.

Management believes that the Tax Collection Letter is not correct and BRI treatment is already in accordance with the applicable regulation.

On January 13, 2016, BRI has submitted a letter for the cancellation of the Tax Collection Letter. To meet the requirement for the Tax Collection Letter cancellation, on December 30, 2015, BRI has paid deposit amounting to Rp1,603,100 and recorded it under other assets - prepaid tax (Note 18).

Based on The Directorate General of Taxation through its Decision Letter No. KEP-90001/NKEB/WPJ.19/2016 dated February 1, 2016, "Related to the Cancellation of the Tax Collection Letter", all BRI petitions have been approved.

On February 4, 2016, BRI has requested a petition related to the Cancellation of the Tax Collection amounting to Rp1,603,100 to be compensated to the installment payment of income tax article 25 during the fiscal period January and February 2016 amounting to Rp800,000 and Rp803,100, respectively.

Based on the cancellation letter of tax collection No. KEP-00019.PPH/WPJ.19/KP.0403/2016 dated February 15, 2016 and the instruction letter of Over Payment Tax No. 80095/093-0095-2016 dated February 15, 2016, The Directorate General of Taxation has approved the petition for compensation by BRI.

Assessment for fiscal year 2014

The Directorate General of Taxation based on Tax Assessment Letter for income tax No. 00009/206/14/093/17 dated December 19, 2017, affirmed the underpayment amounting to Rp54,995 and administration sanction amounting to Rp26,398, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00009/201/14/093/17 dated December 19, 2017, affirmed the underpayment of Income Tax article 21 amounting to Rp32,159 and administration sanction amounting to Rp15,436, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00011/203/14/093/17 dated December 19, 2017, affirmed the underpayment of Income Tax article 23 amounting to Rp10,313 and administration sanction amounting to Rp4,950, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00002/204/14/093/17 dated December 19, 2017, affirmed the underpayment of Income Tax article 26 amounting to Rp2,839 and administration sanction amounting to Rp1,363, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00081/207/14/093/17 dated December 19, 2017, affirmed the underpayment of value added tax amounting to Rp109 and administration sanction amounting to Rp52, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00077/107/14/093/17 dated December 19, 2017, affirmed the underpayment of value added tax amounting to Rp21, and has been approved by BRI.

The Directorate General of Taxation based on Tax Assessment Letter No. 00020/277/14/093/17 dated December 19, 2017, affirmed the underpayment of value added

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38. TAXATION (continued)

b. Tax Expense (continued)

Assessment for fiscal year 2014 (continued)

tax on utilization of JKP from outside customs area amounting to Rp448 and administration sanction amounting to Rp215, and has been approved by BRI

c. Deferred Tax Assets

The calculation of deferred income tax (expense) benefit BRI is as follow:

	Six Month Period Ended	
	June 30,	
	2018	2017
<u>Parent Entity</u>		
Reversal for allowance for possible losses on earning assets	472,574	941,494
Reversal of provision for employee expense	4,524	58,975
Unrealized gain (loss) on FVTPL securities and Government Recapitalization Bonds	3,812	(2,043)
Bonus shares	35,445	-
Depreciation of premises and equipments	6,841	10,792
	<u>523,196</u>	<u>1,009,218</u>
<u>Subsidiaries</u>	<u>(5,197)</u>	<u>27,469</u>
Total	<u>517,999</u>	<u>1,036,687</u>

The tax effects of significant temporary differences between commercial and tax reporting (recorded under "Deferred Tax Assets" account) are as follows:

	June 30, 2018	December, 31 2017
<u>Parent Entity</u>		
Allowance for possible losses on earning assets	3,155,015	2,682,442
Provision for employee expense	1,248,322	1,243,798
Depreciation on premises and equipments	(154,067)	(160,908)
Remeasurement of defined benefit program	(242,475)	(235,040)
Bonus shares	35,445	-
Unrealized gain (loss) on FVTPL securities and Government Recapitalization Bonds	3,007	(804)
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds	715,039	(540,422)
	<u>4,760,286</u>	<u>2,989,066</u>
<u>Subsidiaries</u>	<u>322,434</u>	<u>281,165</u>
Total	<u>5,082,720</u>	<u>3,270,231</u>

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38. TAXATION (continued)

c. Deferred Tax Assets (continued)

Under article 17 (2) of Law No. 7 year 1983 regarding "Income Tax" which was revised for the fourth time by Law No. 36 year 2008, the corporate income tax rate is 25%.

In addition, based on the above Law No. 36 year 2008 dated September 23, 2008, the Government Regulation No. 81 year 2007 dated December 28, 2007 on "Reduction of the Income Tax Rate on Resident Corporate Tax Payers in the Form of Public Companies" and the Ministry of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 on "The Guidelines on the Implementation and Supervision on the Rate Reduction for Domestic Corporate Tax Payers in the Form of Public Companies" stipulates that resident public companies in Indonesia can obtain the reduced income tax rate at 5% lower than the highest existing income tax rate, provided they meet the prescribed criteria, public companies whose shares are owned by the public at a minimum of 40% or more of the total paid-up shares are traded in the Indonesia Stock Exchange and such shares are owned by at least 300 (three hundred) parties and each party owning only less than 5% of the total paid-up shares. These requirements should be fulfilled by the public companies for a minimum period of 6 (six) months in 1 (one) fiscal year.

Based on Letter No. DE/IV/2018-1171 dated April 2, 2018 and the monthly report of shares ownerships (form No. X.H.I-2 dated April 2, 2018 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during six-month period ended June 30, 2018), all of the above mentioned required criteria to obtain the tax rate reduction on BRI's consolidated financial statements for the six-month period ended June 30, 2018 were fulfilled by BRI.

Based on Letter No. DE/I/2018-0155 dated January 5, 2018 and the monthly report of shares ownerships (form No. X.H.I-2 dated January 5, 2018 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during 2017), all of the above mentioned required criteria to obtain the tax rate reduction on BRI's consolidated financial statements for the year ended December 31, 2017 were fulfilled by BRI.

39. RISK MANAGEMENT

BRI's business activities are always faced with risks related to its function as a financial intermediary institution. Rapid development in the external and internal environments of banks also leads to increasingly complex business risks. Therefore, in order to be able to adapt in the business environment, BRI is required to manage risks in an integrated and systematic way, namely management of credit risk, liquidity risk, operational risk, market risk, strategic risk, compliance risk, reputation risk, and legal risk.

The principles of having an integrated and systematic risk management are embedded into a number of policies and procedures, among others, the Risk Management General Policy (KUMR) which serves as the highest guiding policy for the implementation of risk management procedures in all BRI business operations, starting from general policies, strategies, organisation, risk management in information system, process and the implementation of risk management to internal control system. The implementation of risk management differs according to the type of risks involved and is governed by policies which can be derived from other policies.

Board of Commissioners (BOC) and Board of Directors (BOD) are responsible for effectiveness of risk management at BRI and have an important role in supporting and overseeing the implementation of risk management in all business units.

BOC evaluates the risk management policies and implementation by the BOD. Evaluation is done to ensure BOD manages BRI activities and risk effectively. BOC were assisted by the Risk Management Oversight Committee (KPMR) in its active supervision

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39. RISK MANAGEMENT (continued)

BOD sets the strategy, direction and implementation of risk management policy. Moreover, BOD has the responsibility to ensure that all material risks and their impacts have been addressed and that corrective measures have been taken to remedy the problems and irregularities found in business activities. BOD appoints Director of Risk Management to implement the process of monitoring and controlling the risks bankwide.

BOD is assisted by individual Risk Management Committee (RMC) and integrated RMC (consolidated with subsidiaries) as the committee in BRI risk management system assigned to give recommendations to President Director on policy formulation, policy implementation enhancement, evaluation on the progress and conditions of risk profiles as well as advise on corrective actions.

In order to address issues requiring immediate actions and decisions, ORMC (Operational Risk Management Committee) meeting is conducted to discuss operational risks.

Credit Risk Management

Credit risk is a type of risk that occurs when debtors and/or other party default or fail to settle their obligations with BRI. BRI identifies and measures the level of risks of each debtor using Internal Risk Rating. BRI monitors credit quality for early identification of loan impairment. Credit risk management follows closely the policy of risk management in an integrated and comprehensive manner. BRI's credit risk management framework includes, among others, governance, the acceptable level for risk exposure, the limit on geographical boundaries and the level of concentration of each industry. The risk of credit rating is updated periodically to estimate potential loss that is a result of credit expansion and use it as a benchmark to determine the next set corrective actions required.

Credit risk management is implemented not only to comply with the current prevailing regulation but it serves as a device which management utilises to manage and maintain risk and return at an optimum level, the level considered as the best practice of banking industry. The implementation of credit risk management is expected to boost BRI business activities without having to compromise its prudent principle.

Business units have taken into account and calculated the credit risk for all the credits issued, from their period of disbursement to repayment. The quality of these credits are monitored periodically to prevent the occurrence of Non-Performing Loan (NPL).

The implementation of Early Warning System (EWS) which monitors debtor's developments of the debtor's business condition allows for effective credit risk management. This minimizes the risk of loss and optimise the use of capital to earn maximum income.

BRI credit risk management is implemented with the purpose of minimising possible financial losses due to credit default and/or default on other financial contracts, be it individually or collectively as credit portfolios. Credit risk management is also part of BRI efforts to meet regulatory requirements.

BRI continues to make improvements to the credit risk assessment methodology in order to improve accuracy in credit risk management especially in the process of identifying, measuring, monitoring and controlling risks.

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other mitigations of credit risks

The carrying value of BRI's financial assets, other than loans and securities purchased under agreement to resell depicts the maximum amount of exposure to credit risk.

To discuss the operational problems of the bank that required immediate decision, meeting of Operational Risk Management Committee (ORMC) was held to discuss the problems related to the operational risk.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other mitigations of credit risks (continued)

The tables below show the net maximum exposure to credit risk for securities purchased under the agreement to resell as of June 30, 2018 and December 31, 2017:

June 30, 2018			
	Maximum Eksposure	Collateral	Net Exposure
Securities purchased under agreement to resell	353,486	343,107	10,379

December 31, 2017			
	Maximum Eksposure	Collateral	Net Exposure
Securities purchased under agreement to resell	18,011,026	17,443,973	567,053

BRI uses collaterals to minimise the credit risks of credits issued. BRI credits or loans can be classified into 2 (two) major categories:

- a. Secured loans
- b. Unsecured loans

For secured loans, the types and value of collaterals are determined according to the credit scheme. Types of collaterals are:

- a. Physical collateral, such as lands and buildings, certificate of vehicles ownership, and properties.
- b. Financial collateral, such as deposits (time deposit, savings, demand deposit), securities, and gold.
- c. Others, such as guarantees, government guarantees, and guarantee institutions.

In the event of default, however, BRI uses collaterals as the last resort to fulfill counterparty's credit obligations.

Unsecured loans are comprised of fully unsecured loans such as credit cards and partially secured loans such as loans for fixed income employees, loans for retirees, and other consumer loans. The repayment of partially secured loans is generally made through automatic payroll deduction.

Thus, although partially secured loans are considered to be unsecured loans, their risk level is lower than their carrying value whereas the risk level of fully unsecured loan is equal to their carrying value.

Employee recruitment decision letter and certificate of retirement are used as part of credit risk mitigation techniques for partially secured loans.

2. Risk concentration analysis

- a. Geographical sectors

Tables below detail the credit risk exposure of consolidated BRI's financial assets at carrying value, categorised according to their geographical regions as of June 30, 2018 and December 31, 2017.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

Geographical sectors based on BRI business operational locations which also illustrate the business potentials of each region:

	June 30, 2018							Total
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and east Indonesia	Others	
Asset								
Current accounts with Bank Indonesia	63,645,880	4,450	170	11,183	4,582	5,564	19,123	63,690,952
Current accounts with other banks	8,695,061	164	156	5,006	334	1,934	389,393	9,092,048
Placements with Bank Indonesia and other banks	35,828,591	-	-	-	-	-	2,058,592	37,887,183
Securities								
Fair value through profit or loss	2,764,982	-	-	-	-	-	-	2,764,982
Available for sale	106,890,662	-	-	-	-	-	6,645,837	113,536,499
Held to maturity	53,012,217	-	-	-	-	-	-	53,012,217
Export bills and notes receivable	12,684,692	892,162	280,890	460,888	612,364	1,262,195	742,694	16,935,885
Government Bonds								
Available for sale	868,334	-	-	-	-	-	-	868,334
Held to maturity	2,225,000	-	-	-	-	-	-	2,225,000
Securities purchased under agreement to resell	353,486	-	-	-	-	-	-	353,486
Derivative receivables	490,499	-	-	-	-	-	-	490,499
Loan								
Micro	21,971,153	26,285,179	44,413,544	36,328,302	57,334,999	87,307,078	-	273,640,255
Retail	86,901,034	22,461,084	32,484,621	39,064,863	54,150,357	80,100,632	276,682	315,439,273
Corporate	135,319,423	10,579,478	2,316,656	4,437,495	13,286,452	8,588,346	8,507,927	183,035,777
Sharia receivables and financing	6,348,202	3,149,776	2,156,136	1,947,830	2,837,281	2,955,741	-	19,394,966
Finance lease receivables	1,073,958	446,502	362,529	127,416	240,528	534,413	-	2,785,346
Acceptances receivable	3,905,706	602,613	137,905	132,245	113,236	-	-	4,891,705
Investment in associated entities*)	5,939	-	-	-	-	-	-	5,939
Other assets**)	1,314,039	2,234,460	1,562,584	1,123,482	1,101,800	2,183,181	479,882	9,999,428
	544,298,858	66,655,868	83,715,191	83,638,710	129,681,933	182,939,084	19,120,130	1,110,049,774
Allowance for impairment losses								(34,877,828)
Net								1,075,171,946

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

Geographical sectors based on BRI business operational locations which also illustrate the business potentials of each region:

	June 30, 2018							Total
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and east Indonesia	Others	
Administrative Accounts								
Irrevocable L/C	9,334,711	2,704,154	161,150	359,070	555,114	335,916	-	13,450,115
Guarantees issued	24,968,224	2,269,212	292,753	441,344	1,295,565	665,571	-	29,932,669
Total	34,302,935	4,973,366	453,903	800,414	1,850,679	1,001,487	-	43,382,784
	December 31, 2017							Total
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and east Indonesia	Others	
Asset								
Current accounts with Bank Indonesia	58,155,479	-	-	-	-	-	-	58,155,479
Current accounts with other banks	5,132,577	59	137	1,891	234	8,553	782,233	5,925,684
Placements with Bank Indonesia and other banks	53,090,678	6,587	544	-	-	-	2,007,878	55,105,687
Securities								
Fair value through profit or loss	1,762,263	-	-	-	-	-	-	1,762,263
Available for sale	129,077,061	-	-	-	-	-	1,850,232	130,927,293
Held to maturity	53,994,290	-	-	-	-	-	235,590	54,229,880
Export bills and notes receivable	8,791,888	518,211	279,121	293,157	459,860	208,924	103,192	10,654,353
Government Bonds								
Available for sale	717,840	-	-	-	-	-	-	717,840
Held to maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	18,011,026	-	-	-	-	-	-	18,011,026
Derivative receivables	145,928	-	-	-	-	-	-	145,928
Loan								
Micro	20,361,828	24,638,871	40,371,919	33,385,745	53,269,609	80,822,682	-	252,850,654
Retail	72,811,460	21,195,987	29,623,872	37,429,335	50,867,566	75,420,193	87,816	287,436,229
Corporate	130,600,725	11,953,348	2,286,366	4,118,838	13,609,258	8,215,230	7,912,020	178,695,785
Sharia receivables and financing	5,758,078	2,874,036	2,093,955	1,765,856	2,625,028	2,747,916	-	17,864,869
Finance lease receivables	1,410,880	435,594	7,486	278,529	244,868	111,626	-	2,488,983
Acceptances receivable	4,757,849	542,649	134,108	156,304	102,515	-	-	5,693,425
Investment in associated entities*)	2,439	-	-	-	-	-	-	2,439
/ Other assets**)	4,112,773	40,924	31,442	43,516	122,054	344,429	789,668	5,484,806
	571,295,062	62,206,266	74,828,950	77,473,171	121,300,992	167,879,553	13,768,629	1,088,752,623
[Allowance for impairment losses								(30,104,895)
Net								1,058,647,728

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

Geographical sectors based on BRI business operational locations which also illustrate the business potentials of each region (continued):

	December 31, 2017							Total
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and east Indonesia	Others	
Administrative Accounts								
Irrevocable L/C	5,188,328	2,091,479	103,479	403,997	1,093,134	99,502	752	8,980,671
Guarantees issued	29,483,331	1,929,418	322,367	411,173	1,099,907	784,184	-	34,030,380
Total	34,671,659	4,020,897	425,846	815,170	2,193,041	883,686	752	43,011,051

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

b. Industrial sectors

The following tables detail credit exposure at carrying value, categorised according to industrial sectors as June 30, 2018 and December 31, 2017:

	June 30, 2018							Total
	Government Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading hotels and restaurant	Business Services	Others	
Asset								
Current accounts with Bank Indonesia	63,690,952	-	-	-	-	-	-	63,690,952
Current accounts with other banks	158,948	8,927,909	-	4,959	108	124	-	9,092,048
Placements with Bank Indonesia and other banks	30,915,048	6,972,135	-	-	-	-	-	37,887,183
Securities								
Fair value through profit or loss	1,433,293	1,079,397	-	7,588	-	11,897	232,807	2,764,982
Available for sale	98,743,627	11,058,332	-	1,974,121	-	380,189	1,380,230	113,536,499
Held to maturity	47,958,011	1,623,257	-	1,307,623	-	412,010	1,711,316	53,012,217
Export bills and notes receivable	26,337	-	-	3,069,356	182,786	27,664	13,629,742	16,935,885
Government								
Recapitalization								
Bonds								
Available for sale	868,334	-	-	-	-	-	-	868,334
Held to maturity	2,225,000	-	-	-	-	-	-	2,225,000
Securities purchased under agreement to resell	353,486	-	-	-	-	-	-	353,486
Derivative receivables	-	490,499	-	-	-	-	-	490,499
Loan								
Micro	-	-	40,328,111	8,573,803	126,211,925	15,563,316	82,963,100	273,640,255
Retail	743,937	668,376	17,325,238	20,149,059	120,874,148	11,154,900	144,523,615	315,439,273
Corporate	351,754	1,004,841	36,578,142	37,603,130	30,198,172	5,292,177	72,007,561	183,035,777

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors (continued)

The following tables detail credit exposure at carrying value, categorised according to industrial sectors as June 30, 2018 and December 31, 2017 (continued):

June 30, 2018								
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading hotels and restaurant	Business Services	Others	Total
Asset								
Sharia								
receivables and financing	-	1,076,064	1,102,811	2,798,370	4,030,263	536,975	9,850,483	19,394,966
Finance lease receivables	-	36,993	61,237	685,243	392,589	327,800	1,281,484	2,785,346
Acceptances receivable	418,255	-	-	277,910	17,649	4,766	4,173,125	4,891,705
Investment in associated entities*)	-	4,534	-	-	-	975	430	5,939
Other assets**)	1,658,605	839,935	-	-	-	374,081	7,126,807	9,999,428
	249,545,587	33,782,272	95,395,539	76,451,162	281,907,640	34,086,874	338,880,700	1,110,049,774
Allowance for impairment losses								(34,877,828)
Net								1,075,171,946
Administrative								
Accounts								
Irrevocable L/C	3,799,415	-	-	155,730	25,043	1,059	9,468,868	13,450,115
Guarantees issued	12,680,420	750	560,289	229,719	222,742	80,044	16,158,705	29,932,669
Total	16,479,835	750	560,289	385,449	247,785	81,103	25,627,573	43,382,784
December 31, 2017								
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading hotels and restaurant	Business Services	Others	Total
Asset								
Current accounts with Bank Indonesia	58,155,479	-	-	-	-	-	-	58,155,479
Current accounts with other banks	-	5,925,684	-	-	-	-	-	5,925,684
Placements with Bank Indonesia and other banks	45,045,953	10,059,734	-	-	-	-	-	55,105,687
Securities								
Fair value through profit or loss	579,868	541,586	30,633	-	-	393,071	217,105	1,762,263
Available for sale	117,209,900	10,393,823	-	1,346,737	-	1,792,656	184,177	130,927,293
Held to maturity	48,884,507	2,618,577	-	2,018,980	-	511,908	195,908	54,229,880
Export bills and notes receivable	18,420	-	-	2,128,717	110,129	28,725	8,368,362	10,654,353
Government Recapitalization Bonds								
Available for sale	717,840	-	-	-	-	-	-	717,840
Held to maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	16,583,431	1,427,595	-	-	-	-	-	18,011,026

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors (continued)

The following tables detail credit exposure at carrying value, categorised according to industrial sectors as June 30, 2018 and December 31, 2017 (continued):

	December 31, 2017							Total
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading hotels and restaurant	Business Services	Others	
Asset								
Derivative receivables	-	145,928	-	-	-	-	-	145,928
Loan								
Micro	-	-	37,841,570	7,475,754	115,976,898	13,849,550	77,706,882	252,850,654
Retail	258,751	256,146	15,465,399	18,434,337	107,772,072	10,854,136	134,395,388	287,436,229
Corporate	443,302	9,833,219	36,276,635	37,863,665	17,498,159	6,142,339	70,638,466	178,695,785
Sharia								
receivables								
and financing	404,574	500,946	-	7,016,107	9,511,713	337,966	93,563	17,864,869
Finance lease								
receivables	-	-	8,454	729,517	375,209	281,491	1,094,312	2,488,983
Acceptances receivable	1,030,279	-	-	338,662	21,868	-	4,302,616	5,693,425
Investment in associated								
entities*)	-	1,034	-	-	-	975	430	2,439
Other assets**)	1,930,438	1,056,167	-	-	-	257,640	2,240,561	5,484,806
	293,862,742	42,760,439	89,622,691	77,352,476	251,266,048	34,450,457	299,437,770	1,088,752,623
Allowance for								
impairment								
losses								(30,104,895)
Net								1,058,647,728
Administrative								
Accounts								
Irrevocable L/C	4,696,968	-	-	354,114	19,077	-	3,910,512	8,980,671
Guarantees issued	16,195,739	640	543,925	245,615	265,164	146,452	16,632,845	34,030,380
Total	20,892,707	640	543,925	599,729	284,241	146,452	20,543,357	43,011,051

*) Investment in associated entities with no significant influence

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles

3. Impairment of financial assets as of June 30, 2018 and December 31, 2017

a. Current accounts with other banks

As of June 30, 2018 and December 31, 2017, this financial asset is neither individually nor collectively impaired.

b. Placements with Bank Indonesia and other banks

As of June 30, 2018 and December 31, 2017, this financial asset is neither individually nor collectively impaired.

c. Securities

As of June 30, 2018 and December 31, 2017, all securities are classified as 'Current', except for Bonds I Year 2003 issued by PT Great River International which is classified as 'Loss'. The bond is owned by BRI Life (subsidiary) with a nominal value of Rp758, and has already matured on October 13, 2008.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of June 30, 2018 and December 31, 2017 (continued)

d. Finance lease receivables

On June 30, 2018 and 31 December 2017, this financial asset is impaired as follow:

	June 30, 2018	December 31, 2017
Impaired	69,109	103,445
Past due but not impaired	48,920	110,585
Neither past due nor impaired	2,667,317	2,274,953
	<u>2,785,346</u>	<u>2,488,983</u>
Less allowance for impairment losses	(107,500)	(103,500)
Total	<u>2,677,846</u>	<u>2,385,483</u>

e. Loans, sharia receivables and financing

As of June 30, 2018 and December 31, 2017, these financial assets are individually and collectively impaired, with the following details:

	June 30, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	229,706,500	8,980,755	16,891,130	12,082,680	267,661,065
Agriculture	71,388,053	969,064	2,514,545	5,461,134	80,332,796
Manufacturing	29,829,790	533,180	1,623,655	4,256,423	36,243,048
Business services	28,722,110	602,334	1,924,487	1,389,212	32,638,143
Electricity, gas and water	29,977,128	7,420	33,152	21,589	30,039,289
Construction	24,110,384	134,683	739,844	1,728,832	26,713,743
Transportation, warehousing and communications	14,818,313	299,048	584,205	1,447,999	17,149,565
Social services	5,956,289	190,922	422,146	551,673	7,121,030
Mining	1,681,768	55,369	160,671	1,030,950	2,928,758
Others	196,696,282	1,103,450	5,692,133	2,317,686	205,809,551
	<u>632,886,617</u>	<u>12,876,225</u>	<u>30,585,968</u>	<u>30,288,178</u>	<u>706,636,988</u>
<u>Foreign currencies</u>					
Manufacturing	27,844,041	12,557	-	4,847,845	32,704,443
Agriculture	16,169,729	-	-	-	16,169,729
Trading, hotels and restaurant	13,274,965	7,553	39,544	436,126	13,758,188
Electricity, gas and water	8,157,159	-	-	609,804	8,766,963
Business services	3,198,534	-	-	-	3,198,534
Transportation, warehousing and communications	2,900,992	-	-	222,862	3,123,854
Mining	887,071	3,358	-	1,583,088	2,473,517
Social services	1,997,405	-	10,372	308,019	2,315,796
Construction	467,599	-	1,720	1,403,901	1,873,220
Others	489,039	-	-	-	489,039
	<u>75,386,534</u>	<u>23,468</u>	<u>51,636</u>	<u>9,411,645</u>	<u>84,873,283</u>
Total	<u>708,273,151</u>	<u>12,899,693</u>	<u>30,637,604</u>	<u>39,699,823</u>	<u>791,510,271</u>
Less: Allowance for Impairment losses					(34,769,570)
Net					<u>756,740,701</u>

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of June 30, 2018 and December 31, 2017 (continued)

e. Loans, sharia receivables and financing (continued)

	December 31, 2017				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Rupiah					
Trading, hotels and restaurant	208,941,190	9,219,724	13,130,011	9,840,619	241,131,544
Agriculture	66,580,203	1,630,968	1,978,945	4,776,126	74,966,242
Business services	35,806,525	658,828	1,404,509	1,290,482	39,160,344
Manufacturing	30,027,023	477,416	866,830	4,217,950	35,589,219
Electricity, gas and water	28,500,509	8,438	24,373	25,402	28,558,722
Construction	23,493,510	354,850	245,389	1,972,233	26,065,982
Transportation, warehousing and communications	17,310,995	281,006	672,142	1,263,900	19,528,043
Social services	5,763,160	182,779	278,949	707,128	6,932,016
Mining	1,024,116	56,059	60,801	1,103,730	2,244,706
Others	183,835,359	949,376	4,616,378	1,799,464	191,200,577
	<u>601,282,590</u>	<u>13,819,444</u>	<u>23,278,327</u>	<u>26,997,034</u>	<u>665,377,395</u>
Mata uang asing					
Manufacturing	26,665,130	11,873	-	4,670,108	31,347,111
Agriculture	16,070,541	-	-	-	16,070,541
Electricity, gas and water	5,148,785	-	-	682,810	5,831,595
Trading, hotels and restaurant	4,043,006	7,199	22,149	391,733	4,464,087
Transportation, warehousing and communications	3,044,175	-	-	416,321	3,460,496
Mining	1,706,282	3,193	-	1,609,741	3,319,216
Social services	3,054,991	-	-	-	3,054,991
Business services	1,735,827	-	10,706	350,972	2,097,505
Construction	310,509	-	-	1,223,141	1,533,650
Others	290,950	-	-	-	290,950
	<u>62,070,196</u>	<u>22,265</u>	<u>32,855</u>	<u>9,344,826</u>	<u>71,470,142</u>
Total	<u>663,352,786</u>	<u>13,841,709</u>	<u>23,311,182</u>	<u>36,341,860</u>	<u>736,847,537</u>
Less: Allowance for Impairment losses					(30,000,637)
Net					<u>706,846,900</u>

f. Export bills and notes receivable

As of June 30, 2018 and December 31, 2017, this financial asset is neither individually nor collectively impaired.

g. Acceptances receivable

As of June 30, 2018 and December 31, 2017, this financial asset is neither individually nor collectively impaired.

h. Other Assets

As of June 30, 2018 and December 31, 2017, this financial asset is neither individually nor collectively impaired.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of June 30, 2018 and December 31, 2017 (continued)

i. Administrative accounts

As of June 30, 2018 and December 31, 2017, the administrative accounts are impaired with the following details:

	June 30, 2018	December 31, 2017
Rupiah		
Guarantees issued	10,428,043	16,033,717
Irrevocable L/C	2,451,127	1,639,383
	<u>12,879,170</u>	<u>17,673,100</u>
Foreign Currencies		
Guarantees issued	19,504,626	17,996,663
Irrevocable L/C	10,998,988	7,341,288
	<u>30,503,614</u>	<u>25,337,951</u>
Total	43,382,784	43,011,051
Less allowance for impairment losses	(1,109)	(2,134)
Net	<u>43,381,675</u>	<u>43,008,917</u>

4. Quality of financial assets

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross:

	June 30, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Asset					
Current accounts with Bank Indonesia	63,690,952	-	-	-	63,690,952
Current accounts with other banks	9,092,048	-	-	-	9,092,048
Placements with Bank					
Indonesia and other banks	37,887,183	-	-	-	37,887,183
Securities					
Fair value through profit or loss	2,764,982		-	-	2,764,982
Available for sale	109,079,004	4,457,495	-	-	113,536,499
Held to maturity	51,505,897	1,506,320	-	-	53,012,217
Export bills and notes receivable	16,935,885	-	-	-	16,935,885
Government Recapitalization Bonds					
Available for sale	868,334	-	-	-	868,334
Held to maturity	2,225,000	-	-	-	2,225,000

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross (continued):

	June 30, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Asset					
Securities purchased					
under agreement to resell	353,486	-	-	-	353,486
Derivatives Receivable	490,499	-	-	-	490,499
Loans					
Micro	252,253,675	3,451,377	13,945,664	3,989,539	273,640,255
Retail	278,259,296	8,962,463	14,570,887	13,646,627	315,439,273
Corporate	161,463,901	-	545,182	21,026,694	183,035,777
Sharia receivables and financing	16,296,279	485,853	1,575,871	1,036,963	19,394,966
Finance lease receivables	2,667,254	63	48,920	69,109	2,785,346
Acceptances receivable	4,891,705	-	-	-	4,891,705
Investment in associated entities*)	5,939	-	-	-	5,939
Other Assets**)	9,998,253	1,175	-	-	9,999,428
	1,020,729,572	18,864,746	30,686,524	39,768,932	1,110,049,774

	December 31, 2017				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Asset					
Current accounts with Bank Indonesia	58,155,479	-	-	-	58,155,479
Current accounts with other banks	5,925,684	-	-	-	5,925,684
Placements with Bank					
Indonesia and other banks	55,105,687	-	-	-	55,105,687
Securities					
Fair value through profit or loss	1,762,263	-	-	-	1,762,263
Available for sale	127,515,291	3,412,002	-	-	130,927,293
Held to maturity	53,461,707	768,173	-	-	54,229,880
Export bills and notes receivable	10,654,353	-	-	-	10,654,353
Government Recapitalization Bonds					
Available for sale	717,840	-	-	-	717,840
Held to maturity	2,600,000	-	-	-	2,600,000
Securities purchased					
under agreement to resell	18,011,026	-	-	-	18,011,026
Derivatives Receivable	145,928	-	-	-	145,928
Loans					
Micro	236,294,763	3,482,707	10,226,251	2,846,933	252,850,654
Retail	254,805,588	9,653,287	11,593,072	11,384,282	287,436,229
Corporate	157,675,485	-	108,977	20,911,323	178,695,785

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross (continued):

	December 31, 2017				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Aset					
Sharia receivables and financing	14,576,950	705,715	1,382,882	1,199,322	17,864,869
Finance lease receivables	2,274,953	-	110,585	103,445	2,488,983
Acceptances receivable	5,693,425	-	-	-	5,693,425
Investment in associated entities*)	2,439	-	-	-	2,439
Other Assets**)	5,483,686	1,120	-	-	5,484,806
	1,010,862,547	18,023,004	23,421,767	36,445,305	1,088,752,623

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

Credit quality is defined as follows:

1. Tingkat Tinggi (High Grade)

- a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements in government institutions and transactions with banks listed in the stock exchange.
- b) Loans and sharia receivables and financing, are third party receivables that are neither past due nor impaired, and have never been restructured.
- c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that are not past due, and have strong financial capacity to repay all obligations in a timely manner.
- d) Efek-efek, obligasi pemerintah, yaitu efek-efek yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi dengan *rating* minimal idA- (Pefindo), A- (Fitch), A- (Standard & Poor's), atau A3 (Moody's).
- e) Penyertaan saham, yaitu penyertaan pada perusahaan yang terdaftar di Bursa dan memiliki tingkat kinerja keseluruhan yang baik.

2. Standard Grade

- a) Current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with banks not listed in stock exchange.
- b) Loans and sharia receivables and financing, are third party receivables that are neither past due nor impaired, have been restructured and have undergone collective impairment.
- c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that have not matured and have adequate financial capacity to repay all obligations in a timely manner.
- d) Securities and Government bonds are investment grade securities and bonds with a rating between idBBB+ and idBBB- (Pefindo), BBB+ and BBB- (Fitch), BBB+ and BBB- (Standard & Poor's) or Baa1 and Baa3 (Moody's).
- e) Investment in associated entities, are investment in entities not listed in stock exchange which have an overall good performance level.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

5. According to SFAS No. 60, financial assets are past due when debtors fail to meet their obligations in a timely manner. The following tables show the aging analysis of loans, sharia receivables and financing and finance lease receivables which are past due but not impaired.

June 30, 2018				
	≤ 30 days	> 30 - 60 days	> 60 - 90 days	Total
Loan				
Micro	7,328,856	3,026,125	3,590,683	13,945,664
Retail	7,928,065	2,821,429	3,821,393	14,570,887
Corporate	545,182	-	-	545,182
Sharia receivables and financing	1,102,171	211,132	262,568	1,575,871
Finance lease receivables	933	47,987	-	48,920
	16,905,207	6,106,673	7,674,644	30,686,524
December 31, 2017				
	≤ 30 days	> 30 - 60 days	> 60 - 90 days	Total
Loan				
Micro	4,613,769	2,481,527	3,130,955	10,226,251
Retail	5,666,894	2,673,799	3,252,379	11,593,072
Corporate	108,977	-	-	108,977
Sharia receivables and financing	905,650	187,999	289,233	1,382,882
Finance lease receivables	83,351	5,216	22,018	110,585
	11,378,641	5,348,541	6,694,585	23,421,767

Liquidity Risk Management

Liquidity Risk is a risk of the BRI's inability to meet the maturity obligations of cash flow fund sources and/or of high quality liquid assets that can be mortgaged so as not to interfere with the activities and financial condition of the BRI.

BRI manages liquidity risks in order to meet every financial liability that has been agreed upon in a timely manner and to maintain adequate and optimal liquidity level. In order to support liquidity management, BRI put in place Policy and Guidelines for the Implementation of Liquidity Risk Management (PPPMRL) which encompasses liquidity management, projected cash flows, maturity gap, net stable funding ratio and liquidity coverage ratio, policy and guidelines for determination of liquidity risk limit, liquidity risk stress test, contingency funding plan, and information system of liquidity risk.

The purpose of this policy is to ensure that BRI has sufficient daily liquidity risk management in fulfilling its obligations in normal or crisis conditions in a timely manner from various available sources to ensure the availability of high quality liquid assets, and having a healthy and sustainable structure of deposits from customer.

BRI also stimulates stress testing on a quarterly basis which is submitted to the Board of Commissioners and Directors through Risk Management Committee (RMC). The purpose of stress testing is to measure the resistance or ability to meet liquidity and capital adequacy during crisis (stress). Moreover, stress test is also used as reference for developing or improving emergency funding plans (contingency plan) and liquidity risk limits.

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity

Potential liquidity risks which BRI will encounter in the future are measured by using Liquidity Gap Analysis which projects the mismatch of liquidity based on the maturity of assets and liabilities, after taking into account the business expansion needs. This information is also considered when planning and managing liquidity, including business expansion needs. With the implementation of effective liquidity risk management, it is expected that liquidity risks can be minimised while simultaneously enhancing the overall banking system's stability.

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of June 30, 2018 and December 31, 2017:

	June 30, 2018					Total
	≤ 1 month	> 1 month - 3 months	> 3 months - 12 months	> 12 months	Others without maturity	
Asset						
Cash	-	-	-	-	28,954,347	28,954,347
Current Account with Bank Indonesia	63,690,952	-	-	-	-	63,690,952
Current Account with Other Bank	9,092,048	-	-	-	-	9,092,048
Placement with Bank Indonesia and other bank	37,867,183	20,000	-	-	-	37,887,183
Securities	16,343,429	8,352,272	40,747,044	103,870,953	-	169,313,698
Allowance for impairment losses	-	-	-	-	(758)	(758)
Exports bills and notes receivable	15,709,571	339,509	886,805	-	-	16,935,885
Government Recapitalization Bonds	1,243,334	375,000	-	1,475,000	-	3,093,334
Securities purchased under agreement to resell	353,486	-	-	-	-	353,486
Derivatives receivable	104,467	46,247	55,749	284,036	-	490,499
Loan						
Micro	2,740,214	5,555,540	34,868,607	230,475,894	-	273,640,255
Retail	16,557,971	14,991,354	90,771,790	193,118,158	-	315,439,273
Corporate	15,359,386	3,577,814	45,621,267	118,477,310	-	183,035,777
Allowance for impairment losses	-	-	-	-	(34,277,384)	(34,277,384)
Sharia receivables and financing	573,686	141,039	2,854,324	15,825,917	-	19,394,966
Allowance for impairment losses	-	-	-	-	(492,186)	(492,186)
Finance lease receivables	5,608	11,361	376,196	2,392,181	-	2,785,346
Allowance for impairment losses	-	-	-	-	(107,500)	(107,500)
Acceptance receivable	4,087,949	374,334	429,422	-	-	4,891,705
Investment in associated*)	-	-	-	-	5,939	5,939
Other assets**)	588,772	1,811,381	918,930	1,122	6,679,223	9,999,428
	184,318,056	35,595,851	217,530,134	665,920,571	761,681	1,104,126,293
Liabilities						
Liabilities due immediately	9,002,215	-	-	-	-	9,002,215
Deposits from customers						
Demand deposits	138,715,429	-	-	-	-	138,715,429
Wadiah demand deposits	1,277,065	-	-	-	-	1,277,065
Mudharabah demand deposits	237,813	-	-	-	-	237,813
Saving deposits	337,316,759	-	-	-	-	337,316,759
Wadiah saving deposits	5,078,329	-	-	-	-	5,078,329
Mudharabah saving deposits	1,379,999	-	-	-	-	1,379,999
Time deposits	182,657,667	113,637,921	34,335,481	4,528,916	-	335,159,985
Mudharabah time deposits	17,237,844	73	1,418,068	172,598	-	18,828,583
Deposits from other Banks and financial Institutions	8,206,566	-	-	-	-	8,206,566

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of June 30, 2018 and December 31, 2017 (continued):

June 30, 2018						
	≤ 1 month	> 1 month - 3 months	> 3 months - 12 months	> 12 months	Others without maturity	Total
Liabilitas (lanjutan)						
Securities sold under agreement to repurchase	22,619,905	4,043,163	11,063,396	-	-	37,726,464
Derivatives payable	116,161	63,284	123,451	328,838	-	631,734
Acceptance payable	4,087,949	374,334	429,422	-	-	4,891,705
Marketable securities issued	924,994	-	4,418,103	19,808,594	-	25,151,691
Fund borrowings	-	3,286,277	10,596,528	20,996,078	-	34,878,883
Subordinated loans	3,823	-	-	1,472,000	-	1,475,823
Other liabilities (***)	776,792	516,408	751,061	500,870	37,324	2,582,455
	729,639,310	121,921,460	63,135,510	47,807,894	37,324	962,541,498
Maturity gap	(545,321,254)	(86,325,609)	154,394,624	618,112,677	724,357	141,584,795
December 31, 2017						
	≤ 1 month	> 1 month - 3 months	> 3 months - 12 months	> 12 months	Others without maturity	Total
Asset						
Cash	-	-	-	-	24,797,782	24,797,782
Current Account with Bank Indonesia	58,155,479	-	-	-	-	58,155,479
Current Account with Other Bank	5,925,684	-	-	-	-	5,925,684
Placement with Bank Indonesia and other bank	53,594,287	1,172,213	339,187	-	-	55,105,687
Securities	134,656,217	5,546,579	5,833,275	40,883,365	-	186,919,436
Allowance for impairment losses	-	-	-	-	(758)	(758)
Exports bills and notes receivable	2,330,951	3,724,347	4,599,055	-	-	10,654,353
Government Recapitalization Bonds	717,840	375,000	750,000	1,475,000	-	3,317,840
Securities purchased under agreement to resell	16,691,189	1,319,837	-	-	-	18,011,026
Derivatives receivable	7,782	33,611	44,734	59,801	-	145,928
Loan						
Micro	2,291,479	5,218,530	32,882,324	212,458,321	-	252,850,654
Retail	12,058,635	17,288,925	77,933,581	180,155,088	-	287,436,229
Corporate	20,138,725	14,298,124	28,158,748	116,100,188	-	178,695,785
Allowance for impairment losses	-	-	-	-	(29,423,380)	(29,423,380)
Sharia receivables and financing	530,569	236,409	2,425,842	14,672,049	-	17,864,869
Allowance for impairment losses	-	-	-	-	(577,257)	(577,257)
Finance lease receivables	106,308	16,802	139,370	2,226,503	-	2,488,983
Allowance for impairment losses	-	-	-	-	(103,500)	(103,500)
Acceptance receivable	1,894,633	1,983,239	1,815,553	-	-	5,693,425
Investment in associated*)	-	-	-	-	2,439	2,439
Other assets**)	569,472	2,202,645	889,598	15,050	1,808,041	5,484,806
	309,669,250	53,416,261	155,811,267	568,045,365	(3,496,633)	1,083,445,510
Liabilitas						
Liabilities due immediately	6,584,201	-	-	-	-	6,584,201

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of June 30, 2018 and December 31, 2017 (continued):

	December 31, 2017					
	≤ 1 month	> 1 month - 3 months	> 3 months - 12 months	> 12 months	Others without maturity	Total
Liabilities (continued)						
Deposits from customers						
Demand deposits	145,529,168	-	-	-	-	145,529,168
<i>Wadiah</i> demand deposits	1,766,901	-	-	-	-	1,766,901
<i>Mudharabah</i> demand deposits	139,535	-	-	-	-	139,535
Saving deposits	343,420,737	-	-	-	-	343,420,737
<i>Wadiah</i> saving deposits	4,749,652	-	-	-	-	4,749,652
<i>Mudharabah</i> saving deposits	1,270,484	-	-	-	-	1,270,484
Time deposits	178,534,567	96,297,623	40,992,107	10,593,640	-	326,417,937
<i>Mudharabah</i> time deposits	14,272,754	3,949,195	140,087	-	-	18,362,036
Deposits from other Banks and financial Institutions	5,506,174	57,408	29,785	-	-	5,593,367
Securities sold under agreement to repurchase	2,024,388	1,332,430	3,512,249	5,267,617	-	12,136,684
Derivatives payable	8,472	9,903	58,219	124,264	-	200,858
Acceptance payable	1,894,633	1,983,239	1,815,553	-	-	5,693,425
Marketable securities issued	-	7,588,383	3,267,391	19,763,884	-	30,619,658
Fund borrowings	679,827	744,627	6,378,546	21,600,009	-	29,403,009
Subordinated loans	-	-	10,312	976,138	-	986,450
Other liabilities ***)	784,913	531,439	353,778	-	783,901	2,454,031
	707,166,406	112,494,247	56,558,027	58,325,552	783,901	935,328,133
Maturity gap	(397,497,156)	(59,077,986)	99,253,240	509,719,813	(4,280,534)	148,117,377

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

***) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, *tabarru'* fund and temporary *syirkah* funds.

Market Risk Management

Market risk arises when market interest rates and exchange rates move against the positions which BRI held in the statements of financial position or in administrative accounts. These positions are those which exist in trading book and banking book. BRI has implemented treasury and market risk application system (GUAVA), an integrated system used by the front, middle, and back office functions. Middle Office uses Value-at-Risk (VaR), an internal model that is integrated into daily transaction processing, to measure market risks. Other than monitoring the risks to which instruments are exposed, Middle Office also monitors market risks and transaction limits such as limits on the nominal value transacted by dealers, cut loss limit, stop loss limit and VaR limit. Monitoring is executed daily so as to accelerate the provision of updated information, allowing timely decision-making for instruments, especially those which are classified as trading.

1. Value-at-Risk (VaR): Purpose and Limitation of the Method

BRI uses internal model approach to measure VaR potential loss due to changes in market price of trading portfolio based on historical data. VaR potential loss that arise from market risks is measured using the assumptions that the change in risk factors follow normal distribution. BRI uses VaR to measure exchange rate risk for positions both in trading and banking book and interest rate risks for position in trading book.

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

2. Value-at-Risk (VaR) Assumptions

VaR potential loss is estimated value that is measured using 99% confidence level and market risk position that is unchanged within 1 (one) day holding period. This is an indicator that the potential loss which might exceed VaR value in normal market condition, in average, may occur once every one hundred days. The method used in VaR is Delta Gamma.

The following tables present information on VaR value starting from January 1, 2018 until June 30, 2018 and from January 1, 2017 until December 31, 2017:

	2018	
	Exchange rate*)	Interest Rate
Daily Average	49,940.27	4,681.49
Highest	79,747.46	9,075.69
Lowest	13,449.78	475.62

	2017	
	Exchange rate*)	Interest Rate
Daily Average	39,407.73	3,293.16
Highest	67,226.24	8,366.41
Lowest	26,745.25	468.63

*) Including trading and banking book

3. Back Testing

The purpose of back testing is to ensure that the result of internal model measurement for interest rate risk and exchange rate risk is valid. When performing back testing, BRI compares estimations from daily VaR with realised change of price.

Based on back testing procedures for exchange rate risk and interest rate risk, actual loss throughout the year is significantly consistent with VaR forecast model.

4. Market Risk Outside of Trading Book

a. Interest Rate Risk

Financial instruments based on the interest rate have risks because of potential fluctuations in interest rates with potential impacts on future cash flow.

Board of Directors (BOD) and Management has the responsibility to take into account the bank's risk appetite and its target for financial performance when determining, maintaining, and controlling interest rate. The setting of interest rate is reviewed at least once in a month during Asset and Liability Committee (ALCO) forum.

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The following table presents the average interest rates for financial assets and liabilities position for the three-month period and year ended June 30, 2018 and December 31, 2017:

	June 30, 2018		2017	
	Rupiah (%)	Foreign Currencies (%)	Rupiah (%)	Foreign Currencies (%)
<u>Asset</u>				
Placements with Bank Indonesia				
And others banks	4.57	2.15	3.63	1.05
Securities	7.71	3.16	8.04	3.30
Loans	11.48	4.22	11.78	4.11
Government Recapitalization Bonds	6.70	-	6.72	-
Finance lease receivables	12.70	6.37	13.62	6.38
<u>Liabilities</u>				
Deposits from customers				
Demand deposits	2.77	0.32	2.32	0.33
Saving deposits	0.92	0.21	0.86	0.21
Time deposits	5.64	1.71	6.20	1.43
Deposits from other banks and financial institutions	3.92	0.46	3.45	0.47
Fund borrowings	4.22	2.73	3.79	2.51
Subordinated loans and marketable securities	4.34	-	4.06	-
Marketable securities issued	7.63	-	8.44	2.95

The following table presents the sensitivity of BRI's statement of profit or loss and other comprehensive income towards possible changes in the interest rate of banking book, with the remaining variables being constant.

Six Month Period Ended June 30, 2018	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/- 1%	+/- 1,879,952
Year Period Ended December 31, 2017	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/- 1%	+/- 1,703,685

Sensitivity rate is used to analyse probable changes in interest rates which affect the gain and/or loss of the banking book portfolio. In the above sensitivity analysis, interest rate is assumed to move by one basis point (1%).

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross):

June 30, 2018						
	Floating interest rate			Fixed interest rate	Non- interest rate	Total
	≤ 3 months	> 3 months - 12 months	> 12 months			
Asset						
Cash	-	-	-	-	28,954,347	28,954,347
Current Account with Bank Indonesia	63,690,952	-	-	-	-	63,690,952
Current Account with Other Bank	9,092,048	-	-	-	-	9,092,048
Placement with Bank Indonesia and other bank	37,867,183	20,000	-	-	-	37,887,183
Securities						
Fair value through profit or loss	-	-	-	2,764,982	-	2,764,982
Available for sale	-	-	-	113,536,499	-	113,536,499
Held to maturity	-	-	-	53,012,217	-	53,012,217
Export bills and notes receivable	16,935,885	-	-	-	-	16,935,885
Government						
Recapitalization bond						
Available for sale	868,334	-	-	-	-	868,334
Held to maturity	2,225,000	-	-	-	-	2,225,000
Securities purchased under agreement to resell	-	-	-	353,486	-	353,486
Derivative receivables	-	-	-	-	490,499	490,499
Loans						
Micro	8,295,756	49,650,625	-	215,693,874	-	273,640,255
Retail	31,107,839	134,320,603	57,160,575	92,850,256	-	315,439,273
Corporate	18,937,200	164,098,577	-	-	-	183,035,777
Sharia receivables and financing	-	-	-	-	19,394,966	19,394,966
Finance lease receivables	955,282	9,320	44,074	1,776,670	-	2,785,346
Acceptances receivable	-	-	-	-	4,891,705	4,891,705
Investment in associated entities *	-	-	-	-	5,939	5,939
Other assets**)	-	-	-	-	9,999,428	9,999,428
	189,975,479	348,099,125	57,204,649	479,987,984	63,736,884	1,139,004,121
Liabilities						
Liabilities due immediately	-	-	-	-	9,002,215	9,002,215
Deposits from customers						
Demand deposits	85,831,236	-	-	52,884,193	-	138,715,429
Wadiah demand deposits	-	-	-	-	1,277,065	1,277,065
Mudharabah demand deposits	-	-	-	-	237,813	237,813
Saving deposits	160,141,528	-	-	177,175,231	-	337,316,759
Wadiah saving deposits	-	-	-	-	5,078,329	5,078,329
Mudharabah saving deposits	-	-	-	-	1,379,999	1,379,999
Time deposits	266,122,627	60,851,589	8,185,769	-	-	335,159,985
Mudharabah time deposits	-	-	-	-	18,828,583	18,828,583
Deposits from other Banks and financial Institutions	6,735,955	1,470,611	-	-	-	8,206,566
Securities sold under agreement to repurchase	26,663,068	8,758,554	2,304,842	-	-	37,726,464
Derivatives payable	-	-	-	-	631,734	631,734
Acceptances payable	-	-	-	-	4,891,705	4,891,705
Marketable securities issued	-	-	-	25,151,691	-	25,151,691
Fund borrowings	3,286,277	10,596,528	20,996,078	-	-	34,878,883
Subordinated loans	-	-	-	503,823	972,000	1,475,823
Other Liabilities***)	-	-	-	-	2,582,455	2,582,455
	548,780,691	81,677,282	31,486,689	255,714,938	44,881,898	962,541,498
Interest rate repricing gap between financial assets and liabilities	(358,805,212)	266,421,843	25,717,960	224,273,046	18,854,986	176,462,623

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross) (continued):

	December 31, 2017					
	Floating interest rate			Fixed interest rate	Non- interest rate	Total
	≤ 3 months	> 3 months - 12 months	> 12 months			
Asset						
Cash	-	-	-	-	24,797,782	24,797,782
Current Account with Bank Indonesia	58,155,479	-	-	-	-	58,155,479
Current Account with Other Bank	5,925,684	-	-	-	-	5,925,684
Placement with Bank Indonesia and other bank	55,105,687	-	-	-	-	55,105,687
Securities						
Fair value through profit or loss	-	-	-	1,762,263	-	1,762,263
Available for sale	-	-	-	130,927,293	-	130,927,293
Held to maturity	-	-	-	54,229,880	-	54,229,880
Export bills and notes receivable	10,654,353	-	-	-	-	10,654,353
Government						
Recapitalization bond						
Available for sale	717,840	-	-	-	-	717,840
Held to maturity	2,600,000	-	-	-	-	2,600,000
Securities purchased under agreement to resell	-	-	-	18,011,026	-	18,011,026
Derivative receivables	-	-	-	-	145,928	145,928
Loans						
Micro	7,510,009	45,099,796	-	200,240,849	-	252,850,654
Retail	29,347,560	141,940,025	29,309,168	86,839,476	-	287,436,229
Corporate	34,436,851	144,258,934	-	-	-	178,695,785
Sharia receivables and financing	-	-	-	-	17,864,869	17,864,869
Finance lease receivables	19,744	141,583	770,715	1,556,941	-	2,488,983
Acceptances receivable	-	-	-	-	5,693,425	5,693,425
Investment in associated entities *	-	-	-	-	2,439	2,439
Other assets**)	-	-	-	-	5,484,806	5,484,806
	204,473,207	331,440,338	30,079,883	493,567,728	53,989,249	1,113,550,405
Liabilities						
Liabilities due immediately	-	-	-	-	6,584,201	6,584,201
Deposits from customers						
Demand deposits	96,798,129	-	-	48,731,039	-	145,529,168
Wadiah demand deposits	-	-	-	-	1,766,901	1,766,901
Mudharabah demand deposits	-	-	-	-	139,535	139,535
Saving deposits	171,075,330	-	-	172,345,407	-	343,420,737
Wadiah saving deposits	-	-	-	-	4,749,652	4,749,652
Mudharabah saving deposits	-	-	-	-	1,270,484	1,270,484
Time deposits	274,832,190	40,992,107	10,593,640	-	-	326,417,937
Mudharabah time deposits	-	-	-	-	18,362,036	18,362,036
Deposits from other Banks and financial Institutions	5,563,581	29,786	-	-	-	5,593,367
Securities sold under agreement to repurchase	-	2,486,042	-	-	9,650,642	12,136,684
Derivatives payable	-	-	-	-	200,858	200,858
Acceptances payable	-	-	-	-	5,693,425	5,693,425
Marketable securities issued	-	-	-	30,619,658	-	30,619,658
Fund borrowings	1,423,160	6,378,546	21,601,303	-	-	29,403,009
Subordinated loans	-	-	-	14,385	972,065	986,450
Other Liabilities***)	-	-	-	-	2,454,031	2,454,031
	549,692,390	49,886,481	32,194,943	251,710,489	51,843,830	935,328,133
Interest rate repricing gap between financial assets and liabilities	(345,219,183)	281,553,857	(2,115,060)	241,857,239	2,145,419	178,222,272

*) Investment in associated entities with no significant influence

**) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle

***) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, tabarru' fund and temporary syirkah funds

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

b. Exchange Rate Risk

Exchange rate risk arises when foreign exchange rate against Rupiah fluctuates against the positions which BRI held. Included in the foreign exchange positions are positions in trading book held to generate profit both from foreign exchange transactions within a short period of time and from positions in banking book that has a purpose of controlling the Net Open Position (NOP).

Based on Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated May 29, 2015, the fourth amendment made to PBI No. 5/13/PBI/2003, regarding Net Open Position for Commercial Banks dated July 1, 2010, NOP is set to a maximum of 20% of capital.

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of commitments and contingent liabilities and receivables in the administrative accounts for each foreign currency, which are all stated in Rupiah.

The tables below present NOP (BRI only) as of June 30, 2018 and December 31, 2017, by currency, as follows:

	June 30, 2018		
Currencies	Assets	Liabilities	NOP
<u>Statement of Financial Position</u>			
<u>and Administrative Accounts</u>			
United States Dollar	162,354,206	157,569,847	4,784,359
Singapore Dollar	1,258,438	685,007	573,431
Japanese Yen	488,030	80,461	407,569
Great Britain Pound Sterling	174,762	46,957	127,805
Australian Dollar	208,965	113,570	95,395
European Euro	2,890,438	2,806,331	84,107
Renminbi	4,304,044	4,323,853	19,809
Canadian Dollar	8,676	228	8,448
Others	979,509	41,944	937,565
			<u>7,038,488</u>
Capital (Note 48a)			<u>157,411,133</u>
NOP Ratio			4.47%

Currencies	December 31, 2017		
	Assets	Liabilities	NOP
<u>Statement of Financial Position</u>			
<u>and Administrative Accounts</u>			
United States Dollar	154,683,931	151,009,523	3,674,408
Renminbi	4,974,959	4,185,484	789,475
Singapore Dollar	1,367,530	711,167	656,363
European Euro	2,657,026	3,109,627	452,601
Japanese Yen	368,820	29,103	339,717

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

b. Exchange Rate Risk (continued)

The tables below present NOP (BRI only) as of June 30, 2018 and December 31, 2017, by currency, as follows (continued):

Currencies	December 31, 2017		
	Assets	Liabilities	NOP
<u>Statement of Financial Position</u>			
<u>and Administrative Accounts</u>			
Great Britain Pound Sterling	123,919	53,640	70,279
Australian Dollar	145,894	107,965	37,929
Canadian Dollar	7,196	62	7,134
Others	899,315	98,105	801,210
			6,829,116
Capital (Note 48a)			161,751,939
NOP Ratio			4.22%

5. BRI Agro Sensitivity Analysis

The following tables present sensitivity (unaudited) towards possible change in interest rate and exchange rate of BRI Agro towards statement of profit or loss and other comprehensive income with the remaining variables being constant.

	Six Month Ended June 30, 2018		Year Ended December 31, 2017	
	Percentage Change	Impact To statement of Profit or Loss And other Comprehensive Income	Percentage Change	Impact To statement of Profit or Loss And other Comprehensive Income
Interest rate risk	+/- 1%	+/- 93,072	+/- 1%	+/- 49,012
Foreign exchange rate risk	+/- 1%	+/- 438	+/- 1%	+/- 70

Operational Risk Management

BRI Operational Risk Management is implemented according to Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 22, 2016 on Risk Management Implementation of Commercial Bank, which requires risk management implementation to cover pillars on active control from the Board of Commissioners and Directors, policy adequacy, limit determination and procedure, identification process adequacy, measurement, monitoring and management of risk as well as risk management information system and internal control system.

The main objective of operational risk management implementation is managing operational risk exposure caused by internal and external factors that influences business and operational activities such as inadequacy of human resources, internal processes, IT system failures, natural disaster and external party crimes that potentially cause financial and non financial losses. Operational risk exposure management includes mitigation of legal, reputational, compliance and strategic risk exposure in every business process and operational activity.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

Each operational working unit is responsible for the implementation of risk management process in the business and operational activities of each business unit through internal control system. It begins from the phase of identification, measurement, monitoring and risk mitigation. The Board of Directors determined risk management function in every business unit starting from Head Office level (Desk/Division), Regional Office, Special Branch Office, Branch Office which covers operations, marketing and micro businesses as well as Sub Branch Office, BRI Priority Service Center and Overseas Working Unit.

Risk Management of the Head Office and Regional Office is responsible for setting the guidelines of operational risk management, development and implementation of policy or procedure and methodology, monitoring, reviewing, and controlling operational risk management process. On the other hand, Risk Management is also involved in composing and monitoring BRI's operational risk profile, assessing the risk management adequacy of a new product and/or activity, and supporting the business unit or risk owner in order to develop risk awareness culture, anti fraud strategy implementation and compliance towards risk management principles. In order to discuss operational risk mitigation and risk control improvement, Operational Risk Management Committee (ORMC) is held quarterly and coordinated by Operational Risk Management Unit and related desk/division/business unit.

Internal audit as third line of defense including the Head Office and Inspectorate Office Audit within Indonesia is responsible in monitoring and validating the internal control adequacy of business and operational activities in every business unit and also the consistency of operational risk management implementation in BRI bank wide.

BRI's operational risk management implementation is facilitated by operational risk management tools called BRI Operational Risk Assessor (BRI OPRA), consisting of Risk and Control Self Assessment (RCSA) module, Key Risk Indicator (KRI), Incident Management (IM), Risk Management Forum and Maturity. Operational risk management tools policy has been updated in the decree of BRI Decision Letter No. S.17-DIR/DMR/02.2016.

In order to increase understanding on risk management, BRI focused on building risk awareness culture and risk management training/socialization continuously to all BRI employees and also improving internal control quality in each operational activities.

1. Risk Control and Self Assesment (RCSA)

RCSA is a qualitative and predictive risk management tool which is used to identify and measure the impact and likelihood of risks. RCSA has already been implemented in Head Office (Desk/Division), Regional Office, Special Branch Office, Branch Office which also represents BRI Unit, Sub Branch Office and Priority Service Centre.

RCSA is used to help the business unit to identify and measure operational risk in every business and operational activities independently, including to monitor and determine the action plans or towards improvements.

The main risk issue is updated by considering business development such as new product and or activity implementation, new market segment and competition condition, change in internal/external policy and other changes which affect BRI risk exposure. Working unit performs RCSA assessment by considering Incident Management (IM)/Loss Event Database (LED) data, Key Risk Indicator (KRI) and Audit Result of the working unit. RCSA evaluation is performed quarterly, however, the frequency will be increased in time of significant changes in risk exposure.

RCSA consolidation report stated above is reported regularly to the BOD in RMC that was held quarterly.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

2. Incident Management (IM) and Loss Event Database (LED)

Incident Management (IM) is BRI's Loss Event Database (LED) which includes data documentation process of loss events for all types of loss, financial and non financial loss, covering actual loss, potential loss and near misses, since occurrence up to settlement, including corrective and incident handling measures conducted.

Based on loss event data in IM module, loss event analysis can be performed based on causes, functional activities, event types and business lines. LED information system can be used to determine the preventive actions in risk mitigation, based on the process of incident handling or settlement for the non financial loss, financial loss, financial loss recovery and litigation process.

BRI's operational loss event data has been documented consistently and systematically since 2007 in loss event database matrix which is classified into 8 (eight) business lines and 7 (seven) event types based on the loss event severity and frequency.

In order to calculate operational capital charge and Risk Weighted Assets (RWA), according to regulator policy, BRI used Basic Indicator Approach (BIA) method since it has been implemented in 2010. However, BRI has been prepared for The Standardised Approach (TSA) and Advanced Measurement Approach (AMA). BRI's LED also has been used to calculate operational risk capital charge by Advanced Measurement Approach (AMA) method, based on Extreme Value Theory (EVT) and Loss Distribution Approach (LDA). In order to do more advanced calculation of operational risk capital charge, BRI has developed gap analysis related to the implementation of TSA and AMA.

3. Key Risk Indicator (KRI)

KRI is a tool to detect risks/favorable risk trends increase and or risks decrease both leading/futuristic or historical. Risk trend prediction is used to determine action plans in order to mitigate operational risk before it causes the financial or non financial loss.

BRI has identified key risk indicators for all risks type and determined the risks threshold or limit which portrays the acceptable condition and risk appetite of the management. It is established by using the best judgement, considering BRI risk exposures and risk appetite, that involved internal auditor, risk owner and other business units. BRI's KRI are reflected on its Bank Wide Risk Profile and Regional Risk Profile Report which are monitored and reported monthly to the management.

4. Risk Management Forum

Risk Management Forum is a risk management tool to document the result of meeting/forum among the head of BRI's business units with the lower level employees and staffs in order to discuss inherent risks in the daily business or operational activities that might be the constraint in achieving the business target or business performance. Risk management forum, which are held in each business unit, are expected to support the growth of BRI's risk awareness culture.

5. Maturity

Maturity is a self assessment process on the establishment level of risk management implementation in each of BRI working unit. Maturity assessment is performed at every end of year by each working unit head using certain parameters. By performing maturity assessment, it is expected that each working unit will be able to evaluate the risk management implementation performed, in order to compose future improvement plan.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

6. Business Continuity Management (BCM)

The possibility of disaster caused by nature, human or technology to pose a threat to BRI's business continuity, as BRI has business units spread across Indonesia. Therefore, the Board of Directors concern to develop and implement Business Continuity Management (BCM Policies) in order to ensure the employees, customers and other third parties safety and security who are in the vicinity of BRI business unit environment (Emergency Response Plan) and maintain the continuity of critical businesses and operational activities, protect BRI's assets and provide sufficient response during disruption or disaster conditions (Business Continuity Plan). BCM is stipulated through BRI Circular Letter No. S.26-DIR/DMR/12/2016.

BCM implementation covers all business units, among others through Crisis Management Team, Call Tree arrangement and alternate sites determination. In order to deal with the disruption/disaster in each of business units, BRI business units have already estimated the Disaster and Threat Risk Assessment to identify necessary resources. BCM test runs are prioritized to the business units in prone areas and are done annually, in Head Offices Building BRI 1 and 2, IT Building and BRI Corporate University Building as well as Student Dormitory in Ragunan.

The readiness of BRI organization to ensure the implementation of business continuity procedures has been tested during disaster conditions in several business units, whereas in fourth quarter of 2017 there are the increase of status and activity of Mount Agung and 6.2 SR earthquake centered to the South of Sukabumi which have affected operations and business in Denpasar and Pangandaran BRI working units.

7. New Product and/or Activity Launching

In order to launch each BRI's new product and or activity, it involves risk management process that covers risk assessment done by product owner in every launch of new product and or activity, including control determination to mitigate the risks that might appear.

Risk Management Division are responsible to asses the risk mitigation adequacy and recommend the assessment result for the approval of the Risk Management Director. New Product and/or Activity Launching is stipulated through BRI Circular Letter No. S.89-DIR/MOP/11/2017.

8. Anti-Fraud Strategy Implementation

Anti-Fraud Strategy has been implemented in accordance with BRI internal policy and procedure which concern on fraud cases handling in order to show the management intolerance to fraud (zero fraud tolerance). Anti fraud strategy establishment and implementation is a part of risk management implementation, in order to prevent and manage fraud incident in BRI. Anti-Fraud Strategy covers 4 (four) pillars which are: prevention pillar, detection pillar, investigation, report and sanction pillar and evaluation, monitoring and follow-up pillar.

Statement of anti-fraud commitment are signed by Board of Commissioners and Directors, management and all BRI employees as a part of employee awareness and fraud prevention. Anti-Fraud Strategy Policy is stipulated through BRI Decision Letter No. S.25-DIR/DMR/12/2016.

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The tables below present the comparison of the carrying values and fair values of financial assets and liabilities. The fair values disclosed below are based on relevant information available as of June 30, 2018 and December 31, 2017 are not updated to reflect changes in market conditions which have occurred subsequently.

	June 30, 2018		December 31, 2017	
	Carrying value	Fair value	Carrying value	Fair value
ASSETS				
Cash	28,954,347	28,954,347	24,797,782	24,797,782
Current Account with Bank Indonesia	63,690,952	63,690,952	58,155,479	58,155,479
Current Account with Other Bank	9,092,048	9,092,048	5,925,684	5,925,684
Placement with Bank Indonesia and other bank	37,887,183	37,887,183	55,105,687	55,105,687
Securities				
Fair value through profit or loss	2,764,982	2,764,982	1,762,263	1,762,263
Available for sale	113,536,500	113,536,500	130,927,293	130,927,293
Held to maturity	53,011,458	52,149,803	54,229,122	56,701,981
Export bills and notes receivable	16,935,885	16,935,885	10,654,353	10,654,353
Government				
Recapitalization bond				
Available for sale	868,334	868,334	717,840	717,840
Held to maturity	2,225,000	2,211,858	2,600,000	2,575,239
Securities purchased under agreement to resell	353,486	353,486	18,011,026	18,011,026
Derivative receivables	490,499	490,499	145,928	145,928
Loans, sharia receivables and financing	756,740,701	700,786,402	706,846,900	667,849,222
Sharia receivables and financing	2,677,846	2,341,493	2,385,483	2,405,495
Finance lease receivables	4,891,705	4,891,705	5,693,425	5,693,425
Investment in associated entities *)	78,040	78,040	2,439	2,439
Other assets**)	9,999,429	9,999,429	5,484,806	5,484,806
	1,104,198,395	1,047,032,946	1,083,445,510	1,046,915,942

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The tables below present the comparison of the carrying values and fair values of financial assets and liabilities. The fair values disclosed below are based on relevant information available as of June 30, 2018 and December 31, 2017 are not updated to reflect changes in market conditions which have occurred subsequently (continued).

	June 30, 2018		December 31, 2017	
	Carrying value	Fair value	Carrying value	Fair value
Liabilities				
Liabilities due immediately	9,002,215	9,002,215	6,584,201	6,584,201
Deposits from customers ***)				
Demand deposits	140,230,307	140,230,307	147,435,604	147,435,604
Saving deposits	343,775,087	343,775,087	349,440,873	349,440,873
Time deposits	353,988,568	353,988,568	344,779,973	344,779,973
Deposits from other Banks and financial Institutions				
Demand deposits	403,085	403,085	351,951	351,951
Saving deposits	3,491	3,491	6,709	6,709
Time deposits and on call	1,896,415	1,896,415	4,059,761	4,059,761
Inter-bank call money	5,903,575	5,903,575	1,174,946	1,174,946
Securities sold under agreement to repurchase	37,726,464	37,726,464	12,136,684	12,136,684
Derivatives payable	631,734	631,734	200,858	200,858
Acceptances payable	4,891,705	4,891,705	5,693,425	5,693,425
Marketable securities issued	25,151,691	24,462,493	30,619,658	31,472,743
Fund borrowings	34,878,883	34,878,883	29,403,009	29,403,009
Subordinated loans	1,475,823	1,475,823	986,450	986,450
Other Liabilities****)	2,582,454	2,582,454	2,454,031	2,454,031
	962,541,497	961,852,299	935,328,133	936,181,218

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivable, other receivable and accrued income based on sharia principles.

***) Including deposits based on sharia principles.

****) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, *tabarru'* fund and temporary *syirkah* funds.

Methods and assumptions used to estimate fair value are as follows:

- The fair values of certain financial assets and liabilities, except for securities and Government Recapitalization Bonds classified as held to maturity, loans, finance lease receivable, derivatives receivable and payable, fund borrowings, marketable securities issued and subordinated loans and marketable securities approximate their carrying values due to their short-term maturities.

The estimated fair values of certain financial assets are determined based on discounted cash flows using money market interest rates for instruments with similar credit risk and remaining maturities.

Estimasi nilai wajar terhadap kewajiban keuangan tertentu yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa.

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Methods and assumptions used to estimate fair value are as follows (continued):

b. Securities and Government Recapitalization Bonds

The fair values of securities and Government Recapitalization Bonds classified as held to maturity are determined based on market prices or price quotations of intermediary (broker)/securities dealers. If the information is not available, fair values are estimated by using quoted market price of securities with similar credit characteristics, maturity and yield.

c. Loans

BRI's loan portfolio generally consists of loans with floating rates and fixed rates. Loans are stated at carrying amount. The fair value of loans is derived based on discounted future cash flows expected to be received by BRI using current market rates.

d. Finance Lease Receivable

Fair value is calculated based on discounted cash flow models by using market interest rates.

e. Derivative receivable and payable

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts as well as interest rate curve.

f. Fund borrowings, marketable securities and subordinated loans and marketable securities

Fair value is calculated based on discounted cash flow models by using market rates for the remaining maturity period.

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

		June 30, 2018			
		Fair value	Level 1	Level 2	Level 3
Financial Assets					
Fair value through profit or loss					
Mutual funds	1,059,297	1,059,297	-	-	
Government bonds	957,107	957,107	-	-	
Derivatives receivable	490,499	-	490,499	-	
Deposit Certificates of Bank Indonesia	476,186	476,186	-	-	
Subordinated bonds	42,048	42,048	-	-	
Bonds	33,746	33,746	-	-	
Deposit Certificates of Bank Indonesia	7,969	7,969	-	-	
Others	188,629	188,629	-	-	
	3,255,481	2,764,982	490,499		

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

		June 30, 2018			
		Nilai Wajar	Level 1	Level 2	Level 3
Financial Assets (continued)					
Available for sale					
Government bonds	77,663,191	77,663,191	-	-	-
Deposit Certificates of Bank Indonesia	19,187,575	19,187,575	-	-	-
Bonds	10,278,770	10,278,770	-	-	-
Certificates of Bank Indonesia	1,779,668	1,779,668	-	-	-
Mutual funds	1,704,245	1,704,245	-	-	-
Negotiable Certificate Of Deposits	926,808	926,808	-	-	-
Government Recapitalization Bonds	868,334	868,334	-	-	-
Subordinated bonds	643,211	643,211	-	-	-
Monetary Authority of Singapore (MAS)	456,625	456,625	-	-	-
U.S Treasury Bonds	278,400	278,400	-	-	-
Singapore Government Securities	184,768	184,768	-	-	-
Medium Term Notes	90,040	90,040	-	-	-
Others	343,199	343,199	-	-	-
	<u>114,404,834</u>	<u>114,404,834</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held to maturity					
Government bonds	37,795,360	37,795,360	-	-	-
Shariah Certificates of					
Bank Indonesia	10,981,106	10,981,106	-	-	-
Bonds	3,303,337	3,303,337	-	-	-
Government Recapitalization Bonds	2,211,858	2,211,858	-	-	-
Medium Term Notes	50,000	50,000	-	-	-
Subordinated bonds	20,000	20,000	-	-	-
	<u>54,361,661</u>	<u>54,361,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loans and receivables					
Loans, Shariah receivables and					
financing	700,786,402	-	688,104,615	12,681,787	
Finance lease receivable	2,341,493	-	-	2,341,493	
	<u>703,127,895</u>	<u>-</u>	<u>688,104,615</u>	<u>15,023,280</u>	
Total Financial Assets	<u>875,149,871</u>	<u>171,531,477</u>	<u>688,595,114</u>	<u>15,023,280</u>	
Financial Liabilities					
Fair value through profit or loss					
Derivatives payable	631,734	-	631,734	-	
Other liabilities					
Marketable securities issued	24,462,493	24,462,493	-	-	
Subordinated loans and marketable					
securities	1,475,823	1,475,823	-	-	
	<u>25,938,316</u>	<u>25,938,316</u>	<u>-</u>	<u>-</u>	
Total Financial Liabilities	<u>26,570,050</u>	<u>25,938,316</u>	<u>631,734</u>	<u>-</u>	

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

		December 31, 2017			
		Fair value	Level 1	Level 2	Level 3
Financial Assets					
Fair value through profit or loss					
Mutual funds	842,935	842,935	-	-	-
Deposit Certificates of Bank Indonesia	385,040	385,040	-	-	-
Government bonds	194,828	194,828	-	-	-
Derivatives receivable	145,928	-	145,928	-	-
Bonds	71,378	71,378	-	-	-
Subordinated bonds	50,976	50,976	-	-	-
Others	217,106	217,106	-	-	-
	<u>1,908,191</u>	<u>1,762,263</u>	<u>145,928</u>	<u>-</u>	<u>-</u>
Available for sale					
Government bonds	74,830,836	74,830,836	-	-	-
Deposit Certificates of Bank Indonesia	35,482,251	35,482,251	-	-	-
Bonds	10,238,591	10,238,591	-	-	-
Certificates of Bank Indonesia	6,046,221	6,046,221	-	-	-
Mutual funds	1,504,868	1,504,868	-	-	-
Subordinated bonds	796,981	796,981	-	-	-
Negotiable Certificate of Deposits	764,161	764,161	-	-	-
Government Recapitalization Bonds	717,840	717,840	-	-	-
MAS Bills	431,165	431,165	-	-	-
US Treasury Bonds	234,941	234,941	-	-	-
Medium-Term Notes	207,000	207,000	-	-	-
Singapore Government Securities	184,486	184,486	-	-	-
Others	205,792	205,792	-	-	-
	<u>131,645,133</u>	<u>131,645,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held to maturity					
Government bonds	50,457,329	50,457,329	-	-	-
Bonds	4,453,319	4,453,319	-	-	-
Government Recapitalization Bonds	2,575,239	2,575,239	-	-	-
Deposit Certificates of Bank Indonesia	597,605	597,605	-	-	-
Negotiable Certificate of Deposits	265,083	265,083	-	-	-
Bank Indonesia Sharia					
Certificates (SBIS)	250,000	250,000	-	-	-
Medium-Term Notes	150,360	150,360	-	-	-
Subordinated bonds	20,000	20,000	-	-	-
Others	508,285	508,285	-	-	-
	<u>59,277,220</u>	<u>59,277,220</u>	<u>-</u>	<u>-</u>	<u>-</u>

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

	December 31, 2017			
	Fair value	Level 1	Level 2	Level 3
Loans and receivables				
Loans, Sharia receivables and financing	667,849,222	-	653,265,720	14,583,502
Finance lease receivable	2,405,495	-	-	2,405,495
	<u>670,254,717</u>	<u>-</u>	<u>653,265,720</u>	<u>16,988,997</u>
Total Financial Assets	<u>863,085,261</u>	<u>192,684,616</u>	<u>653,411,648</u>	<u>16,988,997</u>
Financial Liabilities				
Fair value through profit or loss				
Liabilitas derivatif	200,858	-	200,858	-
Other liabilities				
Marketable securities issued	31,472,743	31,472,743	-	-
Subordinated loans and marketable securities	986,450	986,450	-	-
	<u>32,459,193</u>	<u>32,459,193</u>	<u>-</u>	<u>-</u>
Total Financial Liabilities	<u>32,660,051</u>	<u>32,459,193</u>	<u>200,858</u>	<u>-</u>

41. SEGMENT INFORMATION

Information concerning the segments of BRI and Subsidiaries are as follows:

a. Corporate Name

Corporate Name	Main Business
PT Bank Rakyat Indonesia (Persero) Tbk	Conventional Banking
PT Bank BRI Syariah Tbk	Sharia Banking
PT Bank Rakyat Indonesia Agroniaga Tbk	Conventional Banking
BRI Remittance Co. Limited Hong Kong	Financial Service
PT Asuransi BRI Life	Life Insurance
PT BRI Multifinance Indonesia	Financing

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41. SEGMENT INFORMATION (continued)

Information concerning the segments of BRI and Subsidiaries are as follows (continued):

b. Operating Segment

For management purposes, BRI is organized into 5 (five) operating segments based on products which are as follows:

- Micro Segment
- Retail Segment
- Corporate Segment
- Other Segments
- Subsidiaries

Information concerning the operating segments of BRI and Subsidiaries are as follows:

Description	As of June 30, 2018 and for Six-month Period Then Ended					Total
	Micro	Retail	Corporate	Others	Subsidiaries	
Interest and premium income - net	18,996,473	13,219,065	3,151,585	1,569,236	1,725,293	38,661,652
Other operating income	3,880,003	3,942,894	538,905	1,431,264	403,169	10,196,235
Total income	22,876,476	17,161,959	3,690,490	3,000,500	2,128,462	48,857,887
Other operating expenses	(7,852,359)	(8,037,994)	(1,767,893)	(841,121)	(1,260,329)	(19,759,696)
Provision for impairment losses	(5,789,876)	(3,028,144)	(1,439,416)	-	(374,156)	(10,631,592)
Total expenses	(13,642,235)	(11,066,138)	(3,207,309)	(841,121)	(1,634,485)	(30,391,288)
Non operating income - net	11,087	5,853	(1,662)	1,283	410	16,971
Income before income tax expense	9,245,328	6,101,674	481,519	2,160,662	494,387	18,483,570
Income tax expense	(1,764,715)	(1,164,666)	(91,911)	(412,419)	(115,723)	(3,549,434)
Income for the year	7,480,613	4,937,008	389,608	1,748,243	378,664	14,934,136
Segment Assets						
Loans	273,640,255	295,558,775	189,753,028	-	35,343,559	794,295,617
Allowance for impairment losses	(14,945,663)	(4,330,289)	(14,623,825)	-	(977,293)	(34,877,070)
Non loans	-	-	-	367,555,876	21,171,143	388,727,019
	258,694,592	291,228,486	175,129,203	367,555,876	55,537,409	1,148,145,566
Segment Liabilities						
Funding	245,659,382	298,816,314	252,163,336	-	41,354,930	837,993,962
Non funding	-	-	-	137,709,490	10,852,701	148,562,191
	245,659,382	298,816,314	252,163,336	137,709,490	52,207,631	986,556,153

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41. SEGMENT INFORMATION (continued)

b. Operating Segment (continued)

Information concerning the operating segments of BRI and Subsidiaries are as follows (continued):

Description	As of December 31, 2017 and for year Period Then Ended					
	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	36,447,777	23,067,911	6,857,906	4,054,952	2,962,355	73,390,901
Other operating income	6,453,398	8,985,018	899,231	2,355,189	398,231	19,091,067
Total income	42,901,175	32,052,929	7,757,137	6,410,141	3,360,586	92,481,968
Other operating expenses	(15,371,678)	(15,048,835)	(3,541,484)	(2,350,602)	(2,129,049)	(38,441,648)
Provision for Impairment losses	(7,642,460)	(5,738,482)	(3,278,755)	-	(574,789)	(17,234,486)
Total expenses	(23,014,138)	(20,787,317)	(6,820,239)	(2,350,602)	(2,703,838)	(55,676,134)
Non operating income - net	88,970	185,381	327	(73,034)	14,679	216,323
Income before income tax expense	19,976,007	11,450,993	937,225	3,986,505	671,427	37,022,157
Income tax expense	(4,331,159)	(2,482,782)	(203,207)	(864,347)	(96,328)	(7,977,823)
Income for the year	15,644,848	8,968,211	734,018	3,122,158	575,099	29,044,334
Segment Assets						
Loans	252,850,653	270,601,420	184,548,972	-	31,335,475	739,336,520
Allow ance for impairment losses	(11,827,384)	(3,202,568)	(14,032,310)	-	(1,041,875)	(30,104,137)
Non loans	-	-	-	394,510,217	19,235,611	413,745,828
	241,023,269	267,398,852	170,516,662	394,510,217	49,529,211	1,122,978,211
Segment Liabilities						
Funding	243,794,632	304,439,989	255,091,949	-	38,329,880	841,656,450
Non funding	-	-	-	108,064,289	9,180,209	117,244,498
	243,794,632	304,439,989	255,091,949	108,064,289	47,510,089	958,900,948

c. Geographical Segment

Description	Total Income	
	Six-month period Ended	
	June 30,	
	2018	2017
Indonesia	48,564,380	45,529,594
USA	234,055	284,048
Hong Kong	3,518	2,729
Singapore	40,972	26,389
Timor Leste	14,962	161
Total	48,857,887	45,842,921

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41. SEGMENT INFORMATION (continued)

c. Geographical Segment (continued)

		Income before tax expense	
		Six-month period Ended	
		June 30,	
	Description	2018	2017
	Indonesia	18,287,892	16,042,312
	USA	192,083	211,433
	Hong Kong	123	109
	Singapore	1,423	6,447
	Timor Leste	3,070	(2,360)
	Total	18,484,591	16,257,941

		Total assets	
		June 30,	December 31,
		2018	2017
	Indonesia	1,127,688,090	1,104,377,993
	USA	16,034,663	14,847,364
	Singapore	10,632	3,365,196
	Timor Leste	3,745,730	379,288
	Hong Kong	666,451	8,370
	Total	1,148,145,566	1,122,978,211

		Total liabilities	
		June 30,	December 31,
		2018	2017
	Indonesia	966,087,336	940,817,829
	USA	15,948,693	14,330,575
	Singapore	4,696	3,362,659
	Timor Leste	3,808,097	387,328
	Hong Kong	671,811	2,557
	Total	986,520,633	958,900,948

42. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan

Effective January 1, 2007, all newly appointed permanent employees are not included in this program and the right to pension benefits is given based on the established conditions which are stated in the regulations of BRI with consideration to the yearly gratuity factor over the working period and income on the pension fund. BRI's pension plan is managed by Dana Pensiun BRI (DPBRI). According to the regulation in BRI Directors' Decision Letter, the employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and any remaining amount required to fund DPBRI represents the contribution by BRI, amounted to 26.65% (previously 25.02%) since October 1, 2017.

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42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

The actuarial calculation of BRI's pension costs as of June 30, 2018 and December 31, 2017 dilakukan was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 5, 2018 and January 4, 2018 respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013) using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.00%	7.60%
Annual pension-based salary growth rate	7.50%	7.50%
Annual pension benefit growth rate	4.00%	4.00%
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% from CSO 1958	10.00% from CSO 1958
Normal retirement age	56 Year	56 Year

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets, long-term investments in the form of shares of stocks and property.

Movements in present value of defined benefit pension as of June 30, 2018 and December 31, 2017 respectively are as follows:

	June 30, 2018	December 31, 2017
Present value of defined benefit pension - beginning balance	16,749,997	15,032,520
Interest expense	627,865	1,191,806
Current service cost	163,178	316,354
Benefit paid	(617,615)	(954,113)
Actuarial (gain)/loss	(127,311)	1,163,430
Present Value of Defined Benefit Pension		
Liabilities - ending balance	16,796,114	16,749,997

Movements in the fair value of program assets as of 30 June 2018 and December 31, 2017 respectively, are as follows :

	June 30, 2018	December 31, 2017
Fair value of program assets - beginning balance	17,665,697	16,230,759
The real development results	227,546	2,068,136
Contributions paid - Employer	141,609	250,758
Contributions paid - Participants	36,144	70,157
Benefit paid	(617,615)	(954,113)
Program assets - ending balance	17,453,381	17,665,697

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42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Movements in the defined benefit pension liabilities as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	-	-
Defined benefit pension expense - net (Note 35)	126,757	246,012
Contributions paid - current period	(141,609)	(250,759)
Remeasurement liabilities (assets) for defined benefit pension - net	14,852	4,747
Ending balance	-	-

Remeasurement of liabilities (assets) for defined benefit pension as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	(1,042,811)	(1,047,558)
Actuarial (gain)/loss	(127,311)	1,163,430
Yields on assets program	435,392	(779,088)
Impact change of assets other than the net interest liabilities/(assets)	(293,229)	(379,595)
Total remeasurement of liabilities/(assets) for defined benefit pension - net	(1,027,959)	(1,042,811)

Benefit pension expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	June 30, 2018	June 30, 2017
Current service cost	163,178	157,499
Contributions paid - Participants	(36,144)	(49,130)
Interest expense - net	(277)	(325)
Benefit pension expense (Note 35)	126,757	108,044

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) based on the regulation as stated in the Decision Letter of the Directors of BRI, BRI's old-age benefits plan is managed by Yayasan Kesejahteraan Pegawai BRI.

Old-age benefit contributions consist of payments from the employees and BRI's contributions in accordance with the requirements of the Decision Letter of Directors of BRI.

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42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

Based on the actuarial calculation of BRI's old-age benefits as June 30, 2018 and December 31, 2017 which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 5, 2018 and January 4, 2018, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013) using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.10%	7.70%
Salary growth rate	7.50%	7.50%
Mortality rate	TMI 2011	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958

The status of the old-age benefits as of June 30, 2018 and December 31, 2017 respectively, based on the actuarial calculation is as follows:

	June 30, 2018	December 31, 2017
Assets at fair value	3,967,095	3,696,006
Present value of old-age benefits liability	(2,048,990)	(1,927,967)
Surplus	1,918,105	1,768,039

Movements of the old-age benefits liabilities as of June 30, 2018, and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Old-age benefits expense	52,165	59,067
Remeasurement of liabilities		
for defined old-age benefits - net	460	37,473
Contributions paid - current period	(52,625)	(96,540)
Liabilities - Ending Balance	-	-

Remeasurement of liabilities for defined old-age benefits as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	239,574	202,101
Actuarial loss/(gain)	53,034	478,657
Yields on (assets) liabilities program	(134,571)	(138,530)
Impact change of assets outside the net interest assets	81,996	(302,654)
Total remeasurement of liabilities for defined old-age benefits - net	240,033	239,574

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42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

Old-age benefits expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six Month Period Ended June 30,	
	2018	2017
Current service cost	76,219	39,102
Contributions paid - participants	(25,101)	(22,743)
Interest expense - net	1,047	(650)
Old-age benefits expense (Note 35)	52,165	15,709

As of June 30, 2018 and December 31, 2017, BRI did not recognize the prepaid old-age benefits and the income of old-age benefits as BRI management has no benefits on those assets and has no plans to reduce its contributions in the future.

c. Defined Contribution Pension Plan

1. BRI (Parent Entity)

The employees of BRI are also included in the defined contribution pension plan in accordance with BRI Directors' decision which was effective since October 2000. BRI's contributions to the plan which are reported in the interim consolidated statement of profit or loss and other comprehensive income amounted to Rp145,126 and Rp124,935 respectively, for the six-month period ended June 30, 2018 and 2017 (Note 35). This pension plan is managed by Dana Pensiun Lembaga Keuangan BRI.

2. BRI Agro (Subsidiary)

BRI Agro organized defined contribution pension plans for all its permanent employees which is managed by Dana Pensiun Lembaga Keuangan (Financial Institutions Pension Fund) PT Bank Negara Indonesia (Persero) Tbk. BRI Agro's contribution to the plan amounted to 87.8% of the contributions that have been defined based on the level of each employee which are reported in the income statement and the interim consolidated other comprehensive income amounted to Rp393 and Rp375 respectively, for the six-month period ended June 30, 2018 and 2017 (Note 35).

d. Work Separation Scheme

(i) BRI (Parent Entity)

The calculation performed by the management of BRI of liabilities related to allowance for separation benefit which include severance, gratuity and compensation benefits were based on actuarial valuation assumption in compliance with Labor Law No. 13/2003 dated March 25, 2003. As of June 30, 2018 and December 31, 2017, the actuarial calculations were performed by PT Bestama Aktuaria, an independent actuary, in its reports dated July 5, 2018 and January 4, 2018 respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.10%	7.70%
Future salary growth rate	7.50%	7.50%
Mortality rate	TMI 2011	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (Parent Entity) (continued)

Movements in the work separation scheme liability as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	1,212,209	1,109,732
Work separation scheme expense - net (Note 35)	152,831	304,706
Actual benefit payments by BRI	(46,719)	(92,705)
Remeasurement of liabilities/(asset) for defined work separation scheme - net	(181,976)	(109,524)
Ending balance (Note 28)	1,136,345	1,212,209

Pengukuran kembali atas liabilitas/(aset) Program Pemutusan Hubungan Kerja (PHK) masing-masing pada tanggal 30 June 2018 dan 31 December 2017 adalah sebagai berikut:

	June 30, 2018	December 31, 2017
Beginning balance	(136,919)	(27,395)
Actuarial loss/(gain)	(181,975)	(109,524)
Total remeasurement of liabilities /(assets) for defined work separation scheme - net	(318,894)	(136,919)

The calculation of work separation scheme expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six Month Period ended June 30	
	2018	2017
Current service cost	105,579	81,561
Interest expense	47,252	47,099
Past service cost	-	-
Work separation scheme expense (Note 35)	152,831	128,660

(ii) BRISyariah (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation of the work separation scheme expense as of June 30, 2018 and December 31, 2017 as determined by PT Bestama Aktuaria, an independent actuary, in its reports dated July 2, 2018 and January 4 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary) (continued)

	June 30, 2018	December 31, 2017
Discount rate	8.00%	7.10%
Annual salary growth rate	5.00%	5.00%
Mortality rate	TMI-III 2011	TMI-III 2011

Movements in the work separation scheme liability as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	12,829	58,108
Work separation scheme expense (Note 35)	6,076	13,214
Actual benefit payments by BRISyariah	(12,214)	(68,254)
Remeasurement of liabilities for defined work separation scheme - net	(6,691)	9,761
Ending balance (Note 28)	-	12,829

Remeasurement of liabilities (assets) for defined work separation scheme as June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	(4,602)	(14,363)
Actuarial (gain)/loss	(6,692)	9,761
Total remeasurement of assets for defined work separation scheme - net	(11,294)	(4,602)

The calculation of work separation scheme expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	5,926	4,693
Interest expense	150	2,448
Work separation scheme expense (Note 35)	6,076	7,141

(iii) BRI Agro (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation of the work separation scheme expense as of June 30, 2018 and December 31, 2017, as determined by PT Bestama Aktuarial, an independent actuary in its reports dated July 2, 2018 and January 4, 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

	June 30, 2018	December 31, 2017
Discount rate	8.40%	7.50%
Annual salary growth rate	7.90%	7.00%
Mortality rate	TMI 2011	TMI 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

Movements in the work separation scheme liability as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31 2017
Beginning balance	39,057	35,519
Work separation scheme expense (Note 35)	1,957	8,052
Actual benefit payments by BRI Agro	(577)	(2,245)
Remeasurement of liabilities/(assets) for defined work separation scheme - net	(1,465)	(2,269)
Ending balance (Note 28)	38,972	39,057

Remeasurement of liabilities (assets) for defined work separation scheme as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	(1,827)	442
Actuarial loss/(gain)	(1,464)	(2,269)
Total remeasurement of liabilities/ (assets) for defined work separation scheme - net	(3,291)	(1,827)

The calculation of work separation scheme expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six-Month Period Ended June 30	
	2018	2017
Current service cost	2,125	1,978
Interest expense	1,494	1,505
(Gain)/loss current period	(1,662)	-
Work separation scheme expense (Note 35)	1,957	3,483

(iv) BRI Life (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation of the work separation scheme expense as of June 30, 2018 and December 31, 2017, as determined by Padma Radya Akturia, an independent actuary, in its reports dated July 4, 2018 and January 4, 2018 by using the "Projected Unit Credit Method"

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iv) BRI Life (Subsidiary) (continued)

and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	7.00%	7.00%
Annual salary growth rate	7.00%	7.00%
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00 % TMI III 2011	10.00 % TMI III 2011

Movements in the work separation scheme liability as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30 2018	December 31, 2017
Beginning balance	60,706	48,692
Work separation scheme expense (Note 35)	4,756	8,098
Actual benefit payments by BRI life	-	(44)
Remeasurement of (assets)/liabilities for defined work separation scheme - net	(6,771)	3,960
Ending balances (Note 28)	58,691	60,706

Remeasurement of liabilities (assets) for defined work separation scheme as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	10,558	6,598
Actuarial (gain)/loss	(6,771)	3,960
Total remeasurement of liabilities for defined work separation scheme - net	3,787	10,558

The calculation of work separation scheme expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	2,675	1,807
Interest expense	-	1,953
Past service cost	2,081	-
Work separation scheme expense (Note 35)	4,756	3,760

(v) BRI Finance (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(v) BRI Finance (Subsidiary)

The actuarial calculation of the work separation scheme expense as of June 30, 2018 and December 31, 2017 as determined by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated July 4, 2018 and January 2, 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.00%	7.00%
Annual salary growth rate	7.00%	7.00%
Mortality rate	TMI 2011	TMI 2011
Disability rate	5.00% TMI 2011	5.00% TMI 2011

Movements in the work separation scheme liability as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	10,676	9,168
Work separation scheme expense (Note 35)	1,231	1,871
Actual benefit payments by BRI Finance	(55)	(971)
Remeasurement of (assets)/liabilities		
for defined work separation scheme - net	(401)	608
Ending Balance (Note 28)	11,451	10,676

Remeasurement of (assets)/liabilities for defined work separation scheme as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	5,134	5,742
Actuarial (gain)/loss	401	(608)
Total remeasurement of liabilities		
 for defined work separation scheme - net	5,535	5,134

The calculation of work separation scheme expense for the six-month period ended June 30, 2018 and 2017 respectively, based on the actuarial calculation is as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	803	559
Interest expense	374	367
Past service cost	54	1
Work separation scheme expense (Note 35)	1,231	927

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits

BRI employees also have long-term employee benefits, such as gratuity for services, grand leaves and pension preparation period (MPP).

(i) Allowance for gratuity for services

i. BRI (Parent Entity)

The actuarial calculation on gratuity for services as of June 30, 2018 and December 31, 2017 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 4, 2018 and January 4, 2018, respectively, by using the "Projected Unit Credit Method" and Considering the following assumptions:

	June 30, 201	December 31, 2017
Discount rate	8.10%	7.70%
Annual salary growth rate	7.50%	7.50%
Gold price growth rate	10.00%	10.00%
Mortality rate	TMI 2011	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp1,163,778 and Rp1,061,952 as of June 30, 2018 and December 31, 2017.

Movements in liability for gratuity for services as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	1,061,952	940,341
Gratuity for service expense (Note 35)	102,194	155,894
Actual Benefit payments by BRI	(368)	(34,283)
Gratuity for services liability (Note 28)	1,163,778	1,061,952

The gratuity for service expense for the six-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	June 30, 2018	2017
Current service cost	47,467	41,968
Interest expense	40,113	39,887
Recognized	-	-
actuarial (gain)/loss	14,614	(123,648)
Gratuity for services expense (Note 35)	102,194	(41,793)

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

ii. BRI Agro (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of June 30, 2018 and December 31, 2017 was prepared by PT Bestama Aktuarial, an independent actuary, in its report dated July 2, 2018 and January 4, 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	7.60%	7.00%
Annual salary growth rate	8.10%	7.50%
Gold's growth rate	5.00%	5.00%
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp380 and Rp297 as of June 30, 2018 and December 31, 2017, respectively.

Movements in liability for gratuity for services as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	297	-
Gratuity for service expense (Note 35)	83	719
Actual benefit payments by BRI Agro	-	(422)
Gratuity for services liability (Note 28)	380	297

The gratuity for service expense for the three-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month Period Ended June 30, 2018	2017
Current service cost	74	114
Interest expense	12	-
Recognized actuarial (gain)/loss	(3)	(10)
Gratuity for services expense (Note 35)	83	523

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iii. BRI Life (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits. The actuarial calculation on gratuity for services as of June 30, 2018 and December 31, 2017 was prepared by Padma Radya Aktuaria, an independent actuary in its report dated July 4, 2018 and January 4, 2018, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	7.00%	7.00%
Annual salary growth rate	7.00%	7.00%
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% TMI III 2011	10.00% TMI III 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp10,586 and Rp10,289 as of June 30, 2018 and December 31, 2017.

Movements in liability for gratuity for services as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	10,289	10,623
Gratuity for service expense (Note 35)	297	(51)
Actual benefit payments by BRI Life	-	(283)
Gratuity for services liability (Note 28)	10,586	10,289

The gratuity for service expense for the six-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	570	425
Interest expense	361	383
Past service cost	-	(447)
Recognized actuarial loss/(gain)	(634)	342
Gratuity for services expense (Note 35)	297	703

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) (i) Allowance for gratuity for services (continued)

iv. BRI Finance (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation for gratuity for services recorded in the interim consolidated statements of profit or loss and other comprehensive income and recognized in the interim consolidated statements of financial position as of June 30, 2018 and December 31, 2017 was prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated July 4, 2018 and January 2, 2018 respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Gold price (full Rupiah)	590,421	568,320
Average age below retirement age	36	37
Average age above retirement age	58	-
Average service year	7.64	8.63

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp282 and Rp264 as of June 30, 2018 and December 31, 2017.

Movements in liability for gratuity for services as of June 30, 2018 and December 31, 2017 are as follows:

	June 30 2018	December 31, 2017
Beginning balance of liability	264	244
Gratuity for service expense /(income) (Note 35)	18	26
Actual benefit payments by BRI Finance		(6)
Gratuity for services liability (Notes 28)	282	264

The gratuity for service expense for the six-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month period Ended June 30	
	2018	2017
Current service cost	14	13
Interest expense	9	9
Recognized actuarial loss/(gain)	(5)	(6)
Gratuity for services expense (Note 35)	18	16

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves

i. BRI (Parent Entity)

The actuarial calculation for grand leaves as of June 30, 2018 and December 31, 2017 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 5, 2018 and January 4, 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.10%	7.70%
Annual salary growth rate	7.50%	7.50%
Mortality rate	TMI 2011	CSO 1958
Disability rate	10.00% from TMI 2011	10.00% from CSO 1958

The present value of liability of allowance for grand leaves based on actuarial calculations amounted to Rp1,723,263 and Rp1,517,614 as of June 30, 2018 and December 31, 2017 respectively.

Mutasi Movements in liability for grand leaves as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	1,517,614	1,314,399
Grand leaves expense (Note 35)	294,140	292,476
Actual benefit payments by BRI	(88,490)	(89,261)
Grand leaves liability (Note 28)	1,723,264	1,517,614

The grand leaves expense for the three-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	128,263	118,735
Interest expense	57,714	55,945
Recognized actuarial loss/(gain)	108,163	73,649
Grand leaves expense (Note 35)	294,140	248,329

ii. BRIsyariah Tbk (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves as of June 30, 2018 and December 31, 2017 as determined by PT Bestama Aktuaria, an independent actuary in its reports dated July 2, 2018 and January 4, 2018

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

ii. BR Syariah (Subsidiary) (continued)

by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.00%	7.10%
Annual salary growth rate	5.00%	5.00%
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on actuarial calculations amounted to Rp35,795 and Rp30,304 as of June 30, 2018 and December 31, 2017, respectively. Movements in liability for grand leaves as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	30,304	25,294
Grand leaves expense - net (Note 35)	5978	10,046
Actual benefit payments by BRISyariah	(487)	(5,036)
Grand leaves liability (Note 28)	35,795	30,304

The subsidiary's grand leaves expense for the six-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	2,911	2,567
Interest expense	1,119	1,034
Recognized actuarial gain/(loss)	1,948	30
Grand leaves expense (Note 35)	5,978	3,631

iii. BRI Agro (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves as of June 30, 2018 and December 31, 2017 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 2, 2018 and January 4, 2018, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

iii. BR Agro (Subsidiary) (continued)

	June 30, 2018	December 31, 2017
Discount rate	7.60%	6.00%
Annual salary growth rate	8.10%	6.50%
Mortality rate	TMI 2011	TMI 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp3,094 and Rp3,026 as of June 30, 2018 and December 31, 2017, respectively.

Movements in liability for grand leaves as of June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	3,026	2,202
Grand leaves expense (Note 35)	366	1,304
Actual benefit payments by BRI Agro	(298)	(480)
Grand leaves liability (Note 28)	3,094	3,026

The subsidiary's grand leaves expense for the three-month period ended June 30, 2018 and 2017, based on the actuarial calculation are as follows:

	Six Month Period Ended June, 30	
	2018	2017
Current service cost	480	444
Interest expense	94	83
Recognized actuarial loss/(gain)	(208)	34
Grand leaves expense (Note 35)	366	561

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

iv. BRI Life (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves recorded in the interim consolidated statements of profit or loss and other comprehensive income and recognized in the interim consolidated statements of financial position as of June 30, 2018 and December 31, 2017 was prepared by Padma Radya Aktuaria, an independent actuary, in its reports dated April July 4, 2018 and January 4, 2018 by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	7.00%	7.00%
Annual salary growth rate	7.00%	7.00%
Mortality rate	TMI-III 2011	TMI III 2011
Disability rate	10.00% TMI III 2011	10.00% TMI III 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp9,110 and Rp9,050 as of June 30, 2018 and December 31, 2017, respectively.

Movements in liability for grand leaves as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	9,050	7,542
Grand leaves expense (Note 35)	1,076	2,086
Actual benefit payments by BRI Life	(1,016)	(578)
Grand leaves liability (Note 28)	9,110	9,050

The subsidiary's grand leave expenses for the three-month period ended June 30, 2018 and 2017, based on the actuarial calculation are as follow:

	Six Month period Ended June 30	
	2018	2017
Current service cost	1,493	1,169
Interest expense	294	271
Recognized actuarial loss/(gain)	(711)	(59)
Grand leave expense (Note 35)	1,076	1,381

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand Leaves (continued)

v. BRI Finance (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

Actuarial calculation on grand leave for the subsidiary is recorded in the interim consolidated statement of profit and loss and other comprehensive income and recognized in the interim consolidated statement of financial positions as of June 30, 2018 and December 31, 2017 as calculated by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its report dated July 4, 2018 and January 2, 2018 using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.00%	7.00%
Annual salary growth rate	7.00%	7.00%
Mortality rate	TMI 2011	TMI 2011
Disability rate	5.00% TMI 2011	5.00 % TMI 2011

Movements in liability for grand leaves as of June 30, 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liability	654	317
Grand leaves expense (Note 35)	24	385
Actual benefit payments by BRI Finance		(48)
Grand leaves liability (Note 28)	678	654

The subsidiary's grand leaves expense for the six-month period ended June 30, 2018 and 2017 based on the actuarial calculation are as follows:

	Six Month Period Ended June 30	
	2018	2017
Current service cost	47	43
Interest expense	23	13
Recognized actuarial (gain)/loss	(46)	169
Grand leaves expense (Note 35)	24	225

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) BPJS Post-Employment Health Program

i. BRI (Parent Entity)

The actuarial calculation on BPJS Post Employment Health Program as of June 30, 2018 and December 31, 2017 which was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated July 5, 2018 and January 4, 2018 respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	June 30, 2018	December 31, 2017
Discount rate	8.08%	7.60%
BPJS contribution growth rate	4.88%	4.00%
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% From CSO 1958	10.00% From CSO 1958

The status of the BPJS post employment health program as of June 30, 2018 and December 31, 2017 respectively, based on the actuarial calculation are as follows:

	June 30, 2018	December 31, 2017
Current value of BPJS post employment health program liabilities	810,083	790,946
Fair value of assets	(920,075)	(547,687)
Surplus/(Defisit)	(109,992)	243,259

Movements in liability for BPJS post employment health program as of June 2018 and December 31, 2017 are as follows:

	June 30, 2018	December 31, 2017
Beginning balance of liabilities	243,259	-
BPJS Post Employment Health Program expense (Note 35)	70,302	243,259
Remeasurement of BPJS Post Employment Health program liabilities	59,323	-
Actual benefit payments by BR	(372,884)	-
BPJS Post Employment Health Program liability (Note 28)	-	243,259

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) BPJS Post-Employment Health Program (continued)

i. BRI (Parent Entity) (continued)

Remeasurement of assets for defined BPJS post employment health program as of tanggal June 30, 2018 and December 31, 2017 respectively, are as follows:

	June 30, 2018	December 31, 2017
Beginning balance	-	-
Actuarial (gain)/loss	(72,487)	-
Yields on assets program	21,818	-
Impact change of assets other than the net interest liabilities	109,992	-
Total remeasurement of assets for BPJS post employment health program	59,323	-

BPJS post employment health program expense for the six-month period ended June 30, 2018 and for the year ended December 31, 2017, respectively, based on the actuarial calculation are as follows:

	Six Month Ended June 30, 2018	Year Ended December 31, 2017
Current service cost	14,873	2,450
Interest expense - net	2,441	-
Past service cost	52,988	240,809
BPJS post employment health program expense (Note 35)	70,302	243,259

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43. INFORMATION ON COMMITMENTS AND CONTINGENCIES

The significant Information on commitments and contingencies as of June 30, 2018 and December 31, 2017 are as follows :

	<u>June 30, 2018</u>	<u>December31, 2017</u>
Commitments		
Commitments receivables		
Purchase of spot and foreign currencies	8,093,885	4,038,459
Commitments liabilities		
Unused credit facilities granted to debtors	101,331,129	107,073,032
Irrevocable L/C (Note 27c)	13,450,115	8,980,671
Sale of spot and foreign currencies	14,722,523	13,000,508
Unused financing facilities granted to debtors	68,458	105,497
Commitments liabilities total	<u>129,572,225</u>	<u>129,159,708</u>
Commitments - net	<u>(121,478,340)</u>	<u>(125,121,249)</u>
Contingencies		
Contingent receivables		
Interest receivables under settlement	101,327	70,905
Contingent liabilities		
Guarantees issued (Note 27c) in the form of:		
Standby L/C	17,574,051	10,841,726
Bank guarantees	12,358,618	23,188,654
Contingencies liabilities total	<u>29,932,669</u>	<u>34,030,380</u>
Contingencies - net	<u>(29,831,342)</u>	<u>(33,959,475)</u>

44. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, BRI engages in transactions with related parties due to the relationship of ownership and/or management. All transactions with related parties have been made according to the mutually agreed policies and terms.

Balances and transactions with related parties are as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Element of transactions</u>
Ministry of Finance of the Republic of Indonesia	Control through the Central Government of the Republic of Indonesia	Loans
Koperasi Swakarya BRI	Control through BRI's Management	Sharia receivables and financing
PT Koperasi Karyawan BRISyariah	Control through BRI's Management	Sharia receivables and financing

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Relationship	Element of transactions
Lembaga Pembiayaan Ekspor Indonesia	Control through the Central Government of the Republic of Indonesia	Placement in Bank Indonesia and other Banks, Securities
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Government Recapitalization Bonds
Perum BULOG	Control through the Central Govt of the Republic of Indonesia	Loans Irrecoverable L/C
Perum DAMRI	Control through the Central Govt of the Republic of Indonesia	Sharia receivables and financing
PT Adhi Karya (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable Acceptances receivable, Acceptances payable
PT Adhi Persada Beton	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable
PT Aerotrans Services Indonesia	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable
PT Aneka Tambang (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Loans
PT Asuransi Jasa Indonesia (Persero)	Control through the Central Govt of the Republic of Indonesia	Insurance of satellites
PT Bahana Artha Ventura	Control through the Central Govt of the Republic of Indonesia	Investment in associated entities
PT Bank BNI Syariah	Control through the Central Govt of the Republic of Indonesia	Current accounts with other banks Placement in Bank Indonesia and other Banks
PT Bank Mandiri (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Current accounts with other banks Placement in Bank Indonesia and other Banks Securities
PT Bank Negara Indonesia (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Current accounts with other banks Placement in Bank Indonesia and other Banks, Securities Export bills and notes receivable

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Relationship	Element of transactions
PT Bank Syariah Mandiri	Control through the Central Govt of the Republic of Indonesia	Current accounts with other banks
PT Bank Tabungan Negara (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Placement in Bank Indonesia and other Banks Securities
PT BTMU-BRI Finance	Control through BRI's Ownership	Investment in associated entities
PT Danareksa (Persero)	Control through the Central Govt of the Republic of Indonesia	Placement in Bank Indonesia and other banks
PT Dirgantara Indonesia (Persero)	Control through the Central Govt of the Republic of Indonesia	Loans Guarantees issued Irrecoverable L/C
PT Kimia Farma (Persero)	Control through the Central Govt of the Republic of Indonesia	Sharia receivables and financing
PT Garuda Indonesia (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Loans
PT Garuda Maintenance Facility Aero Asia Tbk	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable Acceptances receivable Acceptances payable
PT Indonesia Asahan Aluminium (Persero)	Control through the Central Govt of the Republic of Indonesia	Irrecoverable L/C
PT Inti Konten Indonesia (Intens)	Control through the Central Govt of the Republic of Indonesia	Sharia receivables and financing
PT Kereta Api Indonesia (Persero)	Control through the Central Govt of the Republic of Indonesia	Loans Guarantees issued Irrecoverable L/C
PT Krakatau Steel (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Loans Acceptances receivable Acceptances payable Irrecoverable L/C

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Relationship	Element of transactions
PT Len Industri (Persero)	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Pegadaian (Persero)	Control through the Central Govt of the Republic of Indonesia	Securities Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable Irrecoverable L/C
PT Pertamina (Persero)	Control through the Central Govt of the Republic of Indonesia	Loans Export bills and notes receivable Guarantees issued Irrecoverable L/C Acceptances receivable Acceptances payable
PT Telekomunikasi Indonesia (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Guarantees issued
PT Perusahaan Gas Negara (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Control through the Central Govt of the Republic of Indonesia	Securities Loans Guarantees issued Irrecoverable L/C
PT Pindad (Persero)	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable Irrecoverable L/C
PT Pindad Engineering Indonesia (Persero)	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Pupuk Indonesia (Persero)	Control through the Central Govt of the Republic of Indonesia	Securities

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Relationship	Element of transactions
PT Pupuk Kalimantan Timur	Control through the Central Govt of the Republic of Indonesia	Loans Irrecoverable L/C
PT Sarana Multigriya Finansial (Persero)	Control through the Central Govt of the Republic of Indonesia	Securities
PT Sarana Sumut Ventura	Control through the Central Govt of the Republic of Indonesia	Sharia receivables and financing
PT Telekomunikasi Selular Tbk	Control through the Central Govt of the Republic of Indonesia	Guarantees issued
PT Indonesia Power Tbk	Control through the Central Govt of the Republic of Indonesia	Guarantees issued Securities
PT Waskita Karya (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable Guarantees issued
PT Waskita Beton Precast Tbk	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable Sharia receivables and financing
PT Wijaya Karya (Persero) Tbk	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable Guarantees issued
PT Pindad (Persero)	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Wijaya Karya Bangunan gedung	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Len Railway Systems	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Wijaya Karya Industri Energi	Control through the Central Govt of the Republic of Indonesia	Acceptances receivable Acceptances payable
PT Wijaya Karya Beton Tbk	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable
PT Aero Systems Indonesia	Control through the Central Govt of the Republic of Indonesia	Export bills and notes receivable

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2018	December 31, 2017
<u>Asset</u>		
Current account with other banks (Note 5)		
PT Bank Mandiri (Persero) Tbk	147,380	9,189
PT Bank Negara Indonesia (Persero) Tbk	13,539	11,943
PT Bank Syariah Mandiri	48	33
PT Bank BNI Syariah	26	79
	<u>160,993</u>	<u>21,244</u>
Placement with Bank Indonesia and other banks (Note 6)		
Lembaga Pembiayaan Ekspor Indonesia	-	135,675
PT Bank Negara Indonesia (Persero) Tbk	19,050	135,675
PT Bank Mandiri (Persero) Tbk	91,300	43,400
PT Bank Tabungan Negara (Persero) Tbk	37,100	15,750
PT Bank BNI Syariah	2,000	2,000
	<u>149,450</u>	<u>332,500</u>
Securities (Note 7)		
Government of the Republic of Indonesia	126,020,361	123,062,695
PT Bank Tabungan Negara (Persero) Tbk	1,370,911	1,367,453
Lembaga Pembiayaan Ekspor Indonesia	1,038,260	1,386,317
PT Pupuk Indonesia (Persero)	940,163	970,870
PT Perusahaan Listrik Negara (Persero)	804,119	517,971
PT Sarana Multigriya Finansial (Persero)	733,150	480,181
PT Bank Mandiri (Persero) Tbk	619,083	682,133
PT Pegadaian (Persero)	572,221	627,632
PT Bank Negara Indonesia (Persero) Tbk	420,342	617,343
PT Indonesia Power	347,974	383,547
Others	3,376,484	4,090,474
	<u>136,243,068</u>	<u>134,186,616</u>
Export bills and notes receivable (Note 8)		
PT Garuda Maintenance Facility Aero Asia	389,808	3,134
PT Bank Negara Indonesia (Persero) Tbk	74,124	-
PT Waskita Beton Precast Tbk	73,278	7,797
PT Adhi Persada Beton	32,204	-
PT Wijaya Karya Beton Tbk	22,518	-
PT Aerotrans Services Indonesia	19,246	-
PT Aero Systems Indonesia	16,282	4,719
PT Semen Indonesia Logistik	-	8,352
PT Pindad Enjiniring Indonesia	-	1,225
PT Pertamina (Persero)	-	1,118
Others	21,771	882,724
	<u>649,231</u>	<u>893,419</u>
Government Recapitalization Bonds (Note 9)		
Government of Republic of Indonesia	3,039,334	3,317,840
	<u>3,039,334</u>	<u>3,317,840</u>

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2018	December 31 2017
<u>Asset (continued)</u>		
Loans (Note 12)		
PT Perusahaan Listrik Negara (Persero)	27,961,028	27,039,931
Perum BULOG	23,767,918	9,049,660
PT Pertamina (Persero)	6,038,219	3,450,797
Kementerian Keuangan Republik Indonesia	3,266,837	3,801,438
PT Dirgantara Indonesia (Persero)	3,150,169	3,037,521
PT. Garuda Indonesia (Persero) Tbk	2,416,418	1,356,750
PT Krakatau Steel (Persero) Tbk.	2,002,545	2,438,770
PT Pupuk Kalimantan Timur	1,956,497	1,939,755
PT. Waskita Karya (Persero) Tbk	1,849,853	2,375,195
PT Kereta Api Indonesia (Persero)	1,785,915	1,776,795
Others	28,807,425	39,931,052
Total	<u>103,002,824</u>	<u>96,197,664</u>
Sharia receivables and financing (Note 13)		
PT Waskita Beton Precast Tbk	600,000	400,000
PT Pegadaian (Persero)	400,000	400,000
KIMIA FARMA(PERSERO)	250,000	-
PT Koperasi Karyawan BRI Syariah	97,781	105,436
Perum DAMRI	54,562	56,381
Koperasi Swakarya BRI	12,952	14,251
PT Inti Konten Indonesia	3,400	3,850
PT SARANA SUMUT VENTURA	1,256	-
Key employees	1,772	17,180
	<u>1,421,723</u>	<u>997,098</u>
Acceptances receivable (Note 15)		
PT Garuda Maintenance Facility Aero Asia Tbk	356,121	274,365
PT Krakatau Steel (Persero) Tbk	155,629	136,471
PT Pembangunan Perumahan (Persero) Tbk	88,400	189,270
PT Wijaya Karya (Persero) Tbk	88,029	24,064
PT Pindad (Persero)	45,203	50,094
PT Wijaya Karya Bangunan gedung	18,920	-
PT Len Industri (Persero)	11,569	-
PT Adhi Karya (Persero) Tbk	8,729	4,022
PT. Len Railway Systems	6,650	-
PT Pertamina (Persero)	-	607,723
PT Waskita Karya (Persero) Tbk	-	7,953
PT Wijaya Karya Industri Energi	-	7,270
Others	33,062	37,884
	<u>812,312</u>	<u>1,339,116</u>

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2018	December 31, 2017
<u>Asset (continued)</u>		
Investment in associated entities (Note 16)		
PT Bahana Artha Ventura	72,101	71,382
	<u>72,101</u>	<u>71,382</u>
Total assets from related parties	245,458,041	237,386,147
Total consolidated assets	1,153,228,320	1,126,248,442
 Percentage of total assets from related parties to total consolidated assets	 21.28%	 21.08%
 <u>Liabilities</u>		
Customer Deposits		
Demand deposits (Note 20)		
Government Entities and Institutions	35,196,104	45,075,744
Key employees	2,113	1,547
Others	9,693	19,629
	<u>35,207,910</u>	<u>45,096,920</u>
Saving deposits (Note 21)		
Government Entities and Institutions	206,532	80,414
Key employees	271,057	147,366
Others	221	11,933
	<u>477,810</u>	<u>239,713</u>
Time deposits (Note 22)		
Government Entities and Institutions	80,037,627	93,732,744
Key employees	169,256	120,479
Others	89,249	1,592,220
	<u>80,296,132</u>	<u>95,445,443</u>
Deposits from other Banks and financial institutions (Note 23)		
Government Entities and Institutions	<u>1,069,933</u>	<u>1,146,162</u>
Securities sold under agreement to repurchase (Note 24)		
Government Entities and Institutions	<u>1,470,586</u>	<u>1,465,014</u>
Acceptances payable (Note 15)		
Government Entities and Institutions	<u>812,312</u>	<u>1,339,116</u>
Compensation to key employees management (Note 42)		
Present value of defined benefit pension liability	414,851	275,514
Present value of work separation liability	31,812	50,643
Present value of old-age benefits liability	87,001	61,989

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2018	December 31, 2017
<u>Liabilities (continued)</u>		
Compensation to key employees management (Note 42) (continued)		
Present value of grand leaves liability	46,326	37,308
Present value of gratuity for services liability	37,275	29,243
	<u>617,265</u>	<u>454,697</u>
Total liabilities to related parties	119,951,948	145,187,065
Total consolidated liabilities	986,548,641	958,900,948
 Percentage of liabilities to related parties to total consolidated liabilities	 12.16%	 15.14%
	June 30, 2018	December 31, 2017
<u>Commitments and contingencies</u>		
<u>in administrative accounts</u>		
Guarantees issued (Note 27c)		
PT Wijaya Karya (Persero) Tbk	2,405,019	2,516,028
PT Perusahaan Gas Negara (Persero) Tbk	2,360,267	2,316,148
PT Pertamina (Persero)	1,623,348	1,393,469
PT Dirgantara Indonesia (Persero)	1,075,065	1,252,015
PT Waskita Karya (Persero) Tbk	976,591	1,897,681
PT Telekomunikasi Indonesia (Persero) Tbk	527,986	1,134,175
PT Perusahaan Listrik Negara (Persero)	576,796	714,859
PT Telekomunikasi Selular Tbk	499,702	640,284
PT Indonesia Power	393,641	492,264
PT Kereta Api Indonesia (Persero)	126,303	572,200
Others	3,585,791	4,588,298
	<u>14,150,509</u>	<u>17,517,421</u>
 Irrevocable L/C (Note 27c)		
Perum Bulog	5,368,557	-
PT Kereta Api Indonesia (Persero)	752,201	-
PT Dirgantara Indonesia (Persero)	746,166	1,512,405
PT Perusahaan Listrik Negara (Persero)	506,459	248,777
PT Pindad (Persero)	458,706	514,038
PT Indonesia Asahan Aluminium (Persero)	302,324	629,159
PT Pupuk Kalimantan Timur	269,998	53,504
PT Pertamina (Persero)	218,977	756,452
PT Pembangunan Perumahan (Persero) Tbk	149,834	306,786
PT Krakatau Steel (Persero) Tbk	87,908	89,570
Others	1,227,673	1,682,219
	<u>10,088,803</u>	<u>5,792,910</u>

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	Six month period Ended	
	June 30,	
	2018	2017
Salaries and allowance for the board of Directors and Commissioners (Note 35)		
Salaries and allowances for the Board of Directors	40,056	38,010
Salaries and allowances for the Board of Commissioners	15,481	13,957
Total	55,537	51,967
Tantiem, bonuses and incentives for the Board of Directors, Commissioners and Key employees (Note 35)		
Tantiem for the Board of Directors	298,055	243,213
Tantiem for the Board of Commissioners	112,983	95,849
Bonuses and incentives for key employees	3,448	31,715
Total	414,486	370,777

Percentage of transactions with related parties to total consolidated assets and liabilities of BRI and Subsidiaries are as follows:

	June 30, 2018	December 31 2017
<u>Asset</u>		
Current accounts with other banks	0.014%	0.002%
Placements with Bank Indonesia and other banks	0.013%	0.030%
Securities	11.814%	11.914%
Export bills and notes receivable	0.056%	0.079%
Government Recapitalization Bonds	0.264%	0.295%
Securities purchased under agreement to resell	0.000%	0.000%
Loans	8.935%	8.545%
Sharia receivables and financing	0.123%	0.089%
Acceptances receivable	0.070%	0.119%
Investment in associated entities	0.000%	0.000%
Total	21.289%	21.073%
<u>Liabilities</u>		
Demand deposits	3.569%	4.703%
Saving deposits	0.048%	0.025%
Time deposits	8.139%	9.954%
Deposits from other banks and financial institutions	0.108%	0.120%
Securities sold under agreement to repurchase	0.149%	0.153%
Acceptances payable	0.082%	0.140%
Fund borrowings	0.000%	0.000%
Compensation to key employees management	0.063%	0.047%
Total	12.158%	15.142%

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45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Significant Agreements

On May 2, 2018, BRI entered into an agreement with PT Accenture in connection with the procurement of the consultant services implementation BRI Digital Bank for a period of 6 (six) month since kick off meeting date with a contract value of Rp29,500.

On February 14, 2018, BRI entered into an agreement with PT PP (Persero) in connection with the procurement of the contractor services for 1st package of BRI Gatot Subroto Tower Building for a period of 380 (three hundred eighty) calendar days with a contract value of Rp112,900.

On January 29, 2018, BRI entered into an agreement with PT Telekomunikasi Selular in connection with the procurement of telecommunications services for a period of 12 (twelve) months with a contract value of Rp24,915.

On January 24, 2018, BRI entered into an agreement with PT Telekomunikasi Indonesia (Persero) in connection with the procurement of communication channels rental for credit line officer as a supporting facilities of BRISpot and MYBRI application for a period of 24 (twenty four) months with a contract value of Rp275,895.

On January 23, 2018, BRI entered into an agreement with PT Transtel Universal in connection with the procurement of Integrated Network Management System (INMS) for a period of 3 (three) years with a contract value of Rp25,370

On November 15, 2017, BRI entered into an agreement with PT Asaba Computer Centre in connection with the procurement of 780 (seven hundred and eighty) units of CRM for a guarantee period of 3 (three) years with a contract value of Rp100,558.

On September 13, 2017, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of maintenance agreement service of 2 (two) units of IBM AS400 Power8 E880 machine for a period between 2017 and 2020 with a contract value of Rp80,000.

On May 17, 2017, BRI entered into an agreement with PT Anabatic Technologies Tbk in connection with the procurement of 2 (two) units of mainframe Z13S N10 machine for a guarantee period of 1 (one) year with a contract value of Rp69,000.

On May 9, 2017, BRI entered into an agreement with PT Patra Telekomunikasi Indonesia in connection with the procurement to lease Hub and Remote VSAT Phase-1 BRI-sat Integration for 2,278 (two thousand two hundred and seventy eight) locations for a period of 3 (three) years with a contract value of Rp67,994.

On April 13, 2017, BRI entered into an agreement with PT Ingenico International Indonesia in connection with the procurement of 45,750 (forty five thousand seven hundred and fifty) EDC units for a guarantee period of 3 (three) years with a contract value of Rp74,572.

b. Contingent Liabilities

In conducting its business, BRI is a defendant with various litigation proceedings and legal claims mainly with respect to matters of contractual compliance. Although there is no clear assurance yet, BRI believes that based on information currently available, the ultimate resolution of these legal proceedings and legal claims will not likely have a material effect on the operations, financial position or liquidity level of BRI.

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45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

b. Contingent Liabilities (continued)

As of June 30, 2018 and December 31, 2017, BRI has provided an allowance (included in "Other Liabilities") for several pending lawsuits filed against BRI amounting to Rp1,058,041 and Rp971,354 (Note 29), respectively. Management believes that the allowance is adequate to cover possible losses arising from pending litigations or legal claims that are currently in progress.

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Presidential Decision No. 26 of 1998 as implemented by the Ministry of Finance Decision dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Director of Bank Indonesia and Head of IBRA, the Government provided a guarantee on certain obligations of all locally incorporated commercial banks. Based on the latest amendment under the Decree of the Ministry of Finance Decision No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and with automatic extension of the guarantee period continuously every 6 (six) months, unless within 6 (six) months before the maturity of the guarantee period or its extension period, the Ministry of Finance announces to the public the expiry and/or change in the guarantee program. For this guarantee, the Government charges premium which is computed based on a certain percentage in accordance with the prevailing regulations.

In accordance with Regulation No. 17/PMK.05/2005 dated March 3, 2005 of the Ministry of Finance, starting April 18, 2005, commercial bank obligations guaranteed by the Government Guarantee Program include demand deposits, saving deposits, time deposits and borrowings from other banks in the form of inter-bank money market transactions.

The Government Guarantee Program through UP3 ended on September 22, 2005 based on Regulation No. 68/PMK.05/2005 dated August 10, 2005 of the Ministry of Finance regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period of July 1 up to September 21, 2005. The Government established the Indonesia Deposit Insurance Corporation (LPS), an independent agency, to replace UP3 based on Law No. 24 of 2004 dated September 22, 2004 regarding "Deposit Insurance Corporation", in order to provide guarantees on public funds including funds from other banks in the form of demand deposits, time deposits, certificates of deposits, saving deposits and/or other similar forms.

In accordance with Government Regulation No. 66 of 2008, dated October 13, 2008 regarding "The Amount of Public Savings Guaranteed" by the Indonesia Deposit Insurance Corporation which is enhanced through LPS Regulation No. 2/PLPS/2010, dated November 25, 2010 regarding "Deposit Guarantee Program" article 29, the total amount of customers' saving accounts in banks which is guaranteed by the Government is Rp2,000,000,000 (full amount).

LPS guarantee interest rate as of June 30, 2018 and December 31, 2017 were 6.00% and 5.75% respectively, for deposits in Rupiah, while for foreign currencies as of June 30, 2018 and December 31, 2017 were 1.25% and 0.75% respectively.

47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS)

The following summarizes the SFAS and IFAS which were issued by the Financial Accounting Standards Board (FASB) and Sharia Accounting Standards Board (SASB) are relevant to BRI and subsidiaries, but not yet effective for the consolidated financial statements as of March 31, 2018:

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47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

Effective on or after January 1, 2019:

- a. IFAS No. 33, "Foreign Currency Transactions and Advance Consideration", clarifies the use of transaction date to determine the exchange rate used in the initial recognition of assets, expenses or corresponding revenues when the entity has accepted or paid advance considerations in foreign currencies.
- b. IFAS No. 34, "Uncertainty of Income Tax Treatment", clarifies and provides guidance to reflect the uncertainty of income tax treatments in the financial statements.

Effective on or after January 1, 2020:

- a. SFAS No. 62 (2017 Amendment), "Insurance Contract", meets a certain criteria to implement a temporary exemption from SFAS No. 71 (deferral approach) or chooses to implement the overlay approach for determined financial assets.
- b. SFAS No. 71, "Financial Instrument", regulates the classifications and measurements of financial instruments based on the characteristics from the contractual cash flow and entity's business model; expected credit loss method for impairment resulting in more timely, relevant and understandable information by users of financial statements; accounting for hedges that reflects better entity risk management by introducing more general requirements based on management considerations.
- c. SFAS No. 71 (2017 Amendment), "Financial Instrument", regulates that financial assets with accelerated repayment feature that can produce negative compensation fulfill the qualifications of contractual cash flows originating from principal payments and interests from the owed amount.
- d. SFAS No. 72, "Revenue from contracts with Customers", adopted from IFRS 15 regulates the model of revenue recognition from contracts with customers, therefore the entity is expected to conduct an analysis before acknowledging revenue.
- e. SFAS No. 73, "Leases", determines the principles of recognition, measurement, presentation, and disclosure for leases by introducing single accounting model that requires the recognition of right-of-use assets and lease liabilities. There are 2 optional exceptions on the recognition of lease assets and liabilities, which are for: (1) short-term leases and (2) leases in which the underlying assets have low values.
- f. SFAS No. 15 (2017 Amendment), "Investments in Associates and Joint Ventures", regulates that entity also implements SFAS No. 71 on financial instruments of associates and joint ventures where the equity method is not implemented. This matter is included as a long term interest that substantially forms a portion of entity's net investments on associates or joint ventures as referred to in SFAS No. 15 paragraph 38.

Currently, BRI and subsidiaries are evaluating and have not yet determined the impact of the revised SFAS on the consolidated financial statements.

48. OTHER DISCLOSURES

a. Capital Adequacy Ratio (CAR)

BRI actively manages its capital in accordance with the regulatory requirements. The primary objective of which is to ensure that BRI, at all times, maintains adequate capital to cover inherent risks to its banking activities without prejudice to optimizing shareholder's value.

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48. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

CAR as of June 30, 2018 and December 31, 2017 was calculated based on Regulation of Financial Services Authority (POJK) No. 34/POJK.03/2016 concerning the change on POJK No. 11/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks. On December 31, 2015, CAR was calculated based on Bank Indonesia Regulation (PBI) No. 15/12/PBI/2013 concerning the Minimum Capital Requirement for Commercial Banks.

Based on POJK No. 34/POJK.03/2016, PBI No. 17/22/PBI/2015 concerning the Establishment of Countercyclical Buffer Requirement, and POJK No. 46/POJK.03/2015 concerning the Determination of Systemically Important Bank and Capital Surcharge, in addition to the minimum capital requirement according to the risk profile, BRI is required to form additional capital as a buffer that apply in stages starting on January 1, 2016.

On June 30, 2018, the establishment of buffer capital consist of Capital Conservation Buffer, Countercyclical Buffer, and Capital Surcharge which shall be established based on a percentage of RWA of 1.875%, 0.00% and 1.875% , respectively.

Based on the BRI's risk profile as of June 30, 2018 and June 30, 2017, yaitu *satisfactory*, which are satisfactory, the minimum CAR as of June 30, 2018 and December 31, 2017, is set at 9% to less than 10%.

The determination of BRI's compliance with regulatory requirements and ratios is based on the regulatory accounting practices which differ from Indonesian Financial Accounting Standards in some respects. As of June 30, 2018 and December 31, 2017, BRI has complied with the BI and OJK required capital adequacy ratio.

CAR BRI (Parent Entity) as of June 30, 2018 and December 31, 2017 are calculated as follows:

	June 30, 2018	December 31, 2017
Core Capital (Tier 1)		
Common Equity (CET 1)	149,672,229	154,668,699
Total Core Capital	149,672,229	154,668,699
Additional Tier (Tier 2)	7,739,038	7,083,240
Total Capital	157,411,267	161,751,939

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48. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

CAR BRI (Parent Entity) as of June 30, 2018 and December 31, 2017 are calculated as follows (continued):

	June 30, 2018	December 31, 2017
Risk Weighted Asset (RWA)		
RWA for Credit Risk *)	619,123,051	566,659,194
RWA for Market Risk **)	14,798,179	6,889,063
RWA for Operational Risk ***)	148,209,848	130,967,728
Total RWA	782,131,078	704,515,985
	June 30, 2018	December 31, 2017
CAR Ratio		
CET 1 Ratio	19.14%	21.95%
Tier 1 Ratio	19.14%	21.95%
Tier 2 Ratio	0.99%	1.01%
Total Ratio	20.13%	22.96%
Tier 1 Minimum Ratio	6.00%	6.00%
CET 1 Minimum Ratio	4.50%	4.50%
Minimum CAR Based on Risk Profile	9.00%	9.00%

*) Credit risk is calculated according to SE OJK No. 42/SEOJK.03/2016 dated September 28, 2016.

**) Market risk is calculated according to SE OJK No. 38/SEOJK.03/2016 dated September 8, 2016.

***) Operational risk is calculated according to SE OJK No. 24/SEOJK.03/2016 dated July 14, 2016.

b. Non-Performing Loans (NPL) Ratio

As of June 30, 2018 and December 31, 2017, BRI's NPL ratio are as follows:

1. Consolidated (including Sharia receivables and financing)

	June 30, 2018	December 31, 2017
NPL Ratio - gross	2.40%	2.22%
NPL Ratio - net	0.68%	0.98%

2. BRI (Parent Entity)

	June 30, 2018	December 31, 2017
NPL Ratio - gross	2.33%	2.10%
NPL Ratio - net	1.10%	0.88%

Net NPL ratio is calculated based on NPL less the minimum allowance for impairment losses in accordance with Bank Indonesia regulations divided by the total loans.

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As of June 30, 2018 and For the Six-month Period Then Ended (Unaudited)
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

c. Custodian Operations

BRI rendered custodian services since 1996 based on its operating license through Bapepam Chairman Decision Letter No. 91/PM/1996 dated April 11, 1996 and was also selected as the Sub-Registry in conducting Government bonds transactions and administration of Scriptless Certificates of Bank Indonesia by Bank Indonesia.

The custodian services business is a part of the Investment Services Division, which provides services such as:

- Safekeeping services and portfolio valuation;
- Settlement handling services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services;
- Custody Unit Link services and DPLK;
- Custodian for asset securitization; and
- Global custodian for securities issued abroad.

BRI has 405 (four hundred and five) and 258 (two hundred and fifty eight) customer as of June 30, 2018 and December 31, 2017, respectively, which mainly consist of pension funds, financial institutions, insurance companies, securities companies, mutual funds and other institutions.

Customers' assets deposited at BRI Custodian amounted to Rp304,017,268 and Rp298,786,806 as of June 30, 2018 and December 31, 2017 respectively. While the number of custodian fees earned amounted to Rp49,459 and Rp71,513 for the period/year ended June 30, 2018 and December 31, 2017 respectively.

d. Trustee Agent Operations

BRI rendered trustee agent operations since 1996. The operating license of BRI for trust services was granted by the Ministry of Finance based on its Decision Letter No. 1554/KMK.013/1990 dated December 6, 1990 and registered in OJK in conformity with its Operating License as Trustee Agent No. 08/STTD-WA/PM/1996 dated June 11, 1996.

The trust services business is a part of the Investment Services Division which provides services such as:

- Trustee agent
- Security agent
- Monitoring agent

BRI has 32 (thirty two) and 31 (thirty one) customers as of June 30, 2018 and December 31, 2017. The total value of bonds issuance on behalf of bonds issuers managed by BRI as part of trustee agent amounted to Rp68,431,000 and Rp66,099,135 as of June 30, 2018 and December 31 2017 respectively.

e. Trust Service

BRI's Trust Service is the custodian services customers in the form of financial assets for and on behalf of customers. BRI is the first bank in Indonesia to obtain permission from Bank Indonesia to perform Trust Services in Indonesia through Bank Indonesia letter No. 15/19/DPB1/PB1-3 dated February 12, 2013 and Bank Indonesia confirmation letter No. 15/30/DPB1/PB1-3 dated March 19, 2013.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
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(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

e. Trust Service (continued)

The scope of services includes the BRI Trust Services:

- Paying agent services
- Lending agency services
- Investment agency services
- Other agency services, such as suspend and guarantees agent

BRI's Trust Services has been providing services for financial transactions involving oil and gas projects, both carried out by members of the Contractor Contract (K3S) under the auspices of SKK Migas and non K3S projects.

In addition to providing Trust Services for the oil and gas sector, BRI has been providing either trust or non-trust services for other sectors, such as infrastructure, energy, trading and chemical industries. Beside service to direct customers, the BRI's Trust Services also participate in supporting BRI's financing working unit in the infrastructure, energy and syndicated financing transactions activities.

BRI's Trust project value on June 30, 2018 are Rp24,397,072, while non Trust project value on June 30, 2018 are Rp42,988,737.

BRI's Trust project value on December 31, 2017 are Rp67,285,809 while non Trust project value on December 31, 2017 are Rp32,177,711.

f. Syndication Agent

BRI currently provides Syndicated Agent services for syndicated loan financing from several sectors/industries including agribusiness sector, infrastructure such as toll roads, ports, airports, power plants, oil & gas, textiles, property and manufacturing involving government projects (BUMN) also private projects.

Syndication agent services is part of the activities of the Trust and Corporate Services, which include the following services:

- Arranger
- Facilities agent
- Guarantees agent
- Suspend agent

BRI Syndication Agent project value amounted to Rp150,744,199 and Rp142,304,126, for the period/year ended June 30, 2018 and December 31 2017 respectively.

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49. EARNINGS PER SHARE

The following presents the computation of basic earnings per share (EPS):

	June 30, 2018		
	Income for the Period	Weighted average number of outstanding common shares	Earning for the Period per share (Full Rupiah)
Income for the period that attributable to equity holders of the parent entity per share	<u>14,886,046</u>	<u>122,237,220,000</u>	<u>121.78</u>
	June 30, 2017		
	Income for the Period	Weighted average number of outstanding common shares	Earning for the Period per share (Full Rupiah)
Income for the period that attributable to equity holders of the parent entity per share	<u>13,422,688</u>	<u>122,237,220,000</u>	<u>109.81</u>

The outstanding number of ordinary shares before stock split and issuance of bonus shares, whereby the common shares issued to the existing shareholders without any additional remuneration are adjusted to changes as if they occurred at the beginning of the earliest serving period.

50. ACCOUNT RECLASSIFICATION AND ADJUSTMENT

Some accounts in the consolidated financial statements for the year ended December 31, 2017 have been reclassified in accordance to the interim consolidated financial statements for the six-month period ended June 30, 2018.

	December 31, 2017		
	Before Reclassification	Reclassification	After Reclassification
Consolidated Statement of Financial Position			
Asset			
Export Bills and Notes Receivable	5,623,717	5,030,636	10,654,353
Other Assets - net	25,230,455	(5,030,636)	20,199,819
Consolidated Statement of Cash Flows			
Asset			
Export Bills and Notes Receivable	3,721,755	(2,795,933)	925,822
Other Assets - net	(11,728,077)	2,795,933	(8,932,144)

51. EVENTS AFTER THE REPORTING PERIOD

1. BRI Global Bond Issued Year 2018

On July 20, 2018 after receiving after receiving Market Approval Letter of PT BRI from Bank of Indonesia No.20/1095/DSSK/Srt/B dated July 9, 2018, Bank BRI issued US \$ 500,000,000 4,625% Due 2023 Senior Unsecured Notes ("BRI Global Bond") with a principal value of US \$ 500,000,000 with an interest rate of 4,625% per year for a period of 5 (five) years and will mature on July 20, 2023.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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51. EVENTS AFTER THE REPORTING PERIOD (continued)

1. BRI Global Bond Issued Year 2018 (continued)

BRI Global Bond Interest is paid every 6 (six) months starting January 20, 2019. At the time of publication, BRI Global Bond is rated by Fitch Rating with a BBB- (triple B minus) rating and Moody's International Rating with a Baa2 rating.

The net proceeds from the issuance of BRI Global Bonds are used to fund the Company's general business activities.

52. COMPLETION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is responsible for the preparation of these interim consolidated financial statements which were completed and authorized to be issued on July 31, 2018.

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	June 30 2018	December 31 2017*)
ASSETS		
Cash	28,462,367	24,437,571
Current Accounts With Bank Indonesia	60,848,574	55,598,024
Current Accounts With Other Banks	8,861,454	5,803,057
Placements With Bank Indonesia and Other Banks	36,958,932	53,384,610
Securities	149,672,558	171,079,651
Export Bills and Notes Receivable	16,935,885	10,654,353
Government Recapitalization Bonds	3,093,334	3,317,840
Securities Purchased Under Agreement to Resell	-	16,496,292
Derivatives Receivable	472,096	145,928
Loans	758,952,058	708,001,045
Allowance for impairment losses	(33,899,778)	(29,062,262)
	<u>725,052,280</u>	<u>678,938,783</u>
Acceptances Receivable	4,890,228	5,637,833
Investment in Associated Entities	7,798,489	6,727,814
Premises And Equipments		
Cost	34,334,942	32,692,513
Accumulated depreciation	(9,392,667)	(8,674,305)
Net book value	<u>24,942,275</u>	<u>24,018,208</u>
Deferred Tax Assets - net	4,760,286	2,989,066
Other Assets - net	24,619,684	17,209,036
TOTAL ASSETS	<u>1,097,368,442</u>	<u>1,076,438,066</u>

*) After Reclassified (Note 50)

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	June 30, 2018	December 31, 2017
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities Due Immediately	8,855,995	6,472,759
Deposits from Customers		
Demand Deposits	137,831,764	144,432,274
Saving Deposits	336,244,391	342,759,191
Time Deposits	322,562,877	316,135,105
Total Deposits from Customers	<u>796,639,032</u>	<u>803,326,570</u>
Deposits From Other Banks and Financial Institutions	7,861,467	5,752,420
Securities Sold Under Agreement to Repurchase	37,726,464	12,136,684
Derivatives Payable	631,678	197,633
Acceptances Payable	4,890,228	5,637,833
Taxes Payable	777,615	470,272
Marketable Securities Issued	24,854,987	30,323,802
Fund Borrowings	34,446,763	29,267,409
Liabilities for Employee Benefits	10,292,103	11,888,794
Other Liabilities	6,868,367	5,902,298
Subordinated Loans and Marketable Securities	503,823	14,385
TOTAL LIABILITIES	<u>934,348,522</u>	<u>911,390,859</u>

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	June 30, 2018	December 31, 2017
EQUITY		
Capital stock - par value Rp50 (full Rupiah) per share as of June 30, 2018 and December 31, 2017 and Rp250 (full Rupiah) per share as of December 31, 2017 Authorized capital - 300,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 299,999,999,999 Series B shares) as of June 30, 2018 and December 31, 2017 Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 Series A Dwiwarna share and 123,345,809,999 Series B shares) As of June 30, 2018 and December 31, 2017	6,167,291	6,167,291
Additional paid-in capital	2,773,858	2,773,858
Revaluation surplus arising from premises and equipments	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	51,294	54,199
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net	(2,145,118)	1,621,265
Gain on remeasurement of defined benefit plans - net	727,425	705,117
Treasury stock	(2,418,947)	(2,418,948)
Bonus shares compensation provision	212,667	-
Retained Earnings		
Appropriated	3,022,685	3,022,685
Unappropriated	140,804,074	139,297,048
Total Retained Earnings	143,826,759	142,319,733
TOTAL EQUITY	163,019,920	165,047,207
TOTAL LIABILITIES AND EQUITY	1,097,368,442	1,076,438,066

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME - PARENT ENTITY
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Six Month Period Ended	
	June 30,	
	2018	2017
INCOME AND EXPENSES FROM OPERATIONS		
Interest and investment income	51,157,833	47,996,315
Interest and other financing expense	(14,221,474)	(13,317,550)
Interest Income - net	<u>36,936,359</u>	<u>34,678,765</u>
Other Operating Income		
Other fees and commissions	5,508,368	4,930,119
Recovery of assets written-off	2,428,342	1,880,806
Gain on sale of securities and Government Recapitalization		
Bonds - net	421,481	377,274
Gain on foreign exchange - net	702,865	-
Unrealized gain on changes in		
fair value of securities - net	-	8,172
Others	732,010	1,905,101
Total Other Operating Income	<u>9,793,066</u>	<u>9,101,472</u>
Provision for impairment losses on financial assets - net	(10,257,436)	(10,608,931)
Other Operating Expenses		
Salaries and employee benefits	(10,369,477)	(10,024,865)
General and administrative	(5,989,983)	(5,420,494)
Foreign currency transaction losses - net	-	(40,541)
Unrealized loss on changes in		
fair value of securities - net	(12,030)	-
Others	(2,127,877)	(1,884,771)
Total Other Operating Expenses	<u>(18,499,367)</u>	<u>(17,370,671)</u>
OPERATING INCOME	17,972,622	15,800,635
NON OPERATING INCOME - NET	16,561	85,831
INCOME BEFORE TAX EXPENSE	17,989,183	15,886,466
TAX EXPENSE	(3,433,711)	(2,751,774)
INCOME FOR THE PERIOD/YEAR	<u>14,555,472</u>	<u>13,134,692</u>

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME - PARENT ENTITY (continued)
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Six Month Period Ended	
	June 30,	
	2018	2017
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement of defined benefit plans	29,744	(151,043)
Income tax related to item not to be reclassified to profit or loss	(7,436)	37,760
Items to be reclassified to profit or loss		
Exchange rate differences on translation of foreign currency financial statements	(2,905)	(53,501)
Unrealized (loss) gain securities and Government Recapitalization Bonds	(5,021,844)	1,265,194
Income tax related to items to be reclassified to profit or loss	1,255,461	(316,299)
Other Comprehensive Income For the Period/Year - After Tax	(3,746,980)	782,111
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	10,808,492	13,916,803
BASIC EARNINGS FOR THE PERIOD/YEAR (full Rupiah)	119.08	107.45

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

			Unrealized (Loss) Gain on Available							
			Differences Arising from the Translation of Foreign Currency Financial Statements	for Sale Securities and Government Bonds - Net of Deferred Tax Tangguhan	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity
	Issued and Fully Paid Capital	Additional Paid-in Capital						Appropriated	Unappropriated	
Balance as of December 31, 2016	6,167,291	2,773,858	23,490	103,891	654,637	(2,418,948)	13,824,692	3,022,685	121,306,122	145,457,718
Income for the period	-	-	-	-	-	-	-	-	13,134,692	13,134,692
Other comprehensive income	-	-	(53,501)	948,895	(113,283)	-	-	-	-	782,111
Total comprehensive income for the period	-	-	(53,501)	948,895	(113,283)	-	-	-	13,134,692	13,916,803
Distribution of income Dividends	-	-	-	-	-	-	-	-	(10,478,309)	(10,478,309)
Balance as of June 30, 2017	6,167,291	2,773,858	(30,011)	1,052,786	541,354	(2,418,948)	13,824,692	3,022,685	123,962,505	148,896,212

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
INTERIM STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss) Gain on Available for Sale Securities and Government Recapitalization Bonds - Net of Deferred Tax	Gain on Remeasurement of Defined Benefit Plans - Net of Deferred Tax	Treasury Stock	Compensation Provision of Bonus Shares	Revaluation Surplus Arising from Premises and Equipments - Net of Tax	Retained Earnings		Total Equity
									Appropriated	Unappropriated	
Balance as of December 31, 2017	6,167,291	2,773,858	54,199	1,621,265	705,117	(2,418,948)	-	13,824,692	3,022,685	139,297,048	165,047,207
Income for the period	-	-	-	-	-	-	-	-	-	14,555,472	14,555,472
Other comprehensive income	-	-	(2,905)	(3,766,383)	22,308	-	-	-	-	-	(3,746,980)
Total comprehensive income for the period	-	-	(2,905)	(3,766,383)	22,308	-	-	-	-	14,555,472	10,808,492
Distribution of income Dividends	-	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)
Bonus shares	-	-	-	-	-	-	212,667	-	-	-	212,667
Balance as of June 30, 2018	6,167,291	2,773,858	51,294	(2,145,118)	727,425	(2,418,948)	212,667	13,824,692	3,022,685	140,804,079	163,019,925

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO)
INTERIM STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Six Month Period Ended June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	48,044,672	46,125,267
Interest paid	(14,286,626)	(13,202,315)
Recoveries of assets written-off	2,428,342	1,880,806
Other operating income	7,267,886	6,672,377
Other operating expenses	(17,869,078)	(17,429,817)
Non-operating income – net	16,561	85,831
Payment of income tax and tax bill	(3,649,564)	(5,968,497)
Cash flows before changes in operating assets and liabilities	21,952,193	18,163,652
Changes in operating assets and liabilities:		
Decrease (increase) in operating assets:		
Placements with Bank Indonesia and other banks	(5,284,985)	(266,550)
Securities and Government Recapitalization Bonds at fair value through profit or loss	(715,815)	(1,443,257)
Export bills and notes receivable	(6,281,533)	3,778,000
Securities purchased under agreement to resell	16,496,292	(2,208,529)
Loans	(56,578,342)	(27,268,067)
Other assets	(4,267,567)	(2,040,579)
Increase (decrease) in operating liabilities:		
Liabilities due immediately	2,383,236	2,916,913
Deposits:		
Demand deposits	(6,600,510)	(12,048,554)
Saving deposits	(6,514,800)	(3,407,556)
Time Deposits	6,427,772	25,681,238
Deposits from other banks and financial institutions	2,109,047	3,332,175
Securities sold under agreement to repurchase	25,589,780	4,244,650
Others Liabilities	78,716	289,063
Net Cash (Used in) Provided by		
Operating Activities	(11,206,516)	9,722,599
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from dividend	58,070	41,903
Investment in Associated Entities	(1,070,675)	-
Acquisition of premises and equipments	(1,712,515)	(951,836)
(Increase) decrease in available for sale and held to maturity securities and Government Recapitalization Bonds	(3,148,837)	2,479,760
Net Cash (Used in) Provided by		
Investing Activities	(5,873,957)	1,569,827

These supplementary financial information are originally issued in the Indonesian language

PT BANK RAKYAT INDONESIA (PERSERO)
INTERIM STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Six-Month Period Ended June 30, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Six Month Period Ended June 30,	
	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments of) fund borrowings	5,160,357	(8,789,446)
Dividends paid	(13,048,441)	(10,478,309)
Payments of subordinated loans and marketable securities	489,438	-
Proceeds from marketable securities issued	2,439,560	5,099,499
Payments of marketable securities due	(8,014,750)	(2,020,000)
Net Cash (Used in) Provided by Financing Activities	(12,973,836)	(16,188,256)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(30,054,309)	(4,895,830)
EFFECT OF CHANGES ON FOREIGN CURRENCIES RATE	139,058	36,965
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	179,931,615	185,271,640
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	150,016,364	180,412,775
Cash and cash equivalents at end of period consist of:		
Cash	28,462,367	37,697,290
Current accounts with Bank Indonesia	60,848,574	55,086,632
Current accounts with other banks	8,861,454	10,346,931
Placements with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	30,400,539	50,101,324
Certificates of Bank Indonesia and Deposit Certificates of Bank Indonesia - maturing within three months or less since the acquisition date	21,443,430	27,180,598
Total Cash and Cash Equivalents	150,016,364	180,412,775

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE INTERIM FINANCIAL STATEMENTS - PARENT ENTITY
For the Three-Month Period Ended March 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting basis for separate financial statements for parent entity

Separate Financial Statements for parent entity was prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 4 (Revised 2013), "Separate Financial Statements".

SFAS No. 4 (Revised 2013) addresses entity which presents separate financial statements. The report can only be presented as additional information in the consolidated financial statements. Separate financial statements are the financial statements presented by the parent entity which recorded investments in subsidiaries, associated and joint controlled entities using the acquisition cost method.

Accounting policies applied in the preparation of separate financial statements of parent entity are the same with the accounting policies applied in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries presented at cost.

2. INVESTMENTS IN SUBSIDIARIES

Information related to subsidiaries owned by BRI is disclosed in Note 1f to the consolidated financial statements.

As of June 30, 2018 and December 31, 2017, parent entity has investment in subsidiaries as follows:

	June 30, 2018		December 31, 2017	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRIsyariah Tbk	3,004,375	73.00%	2,004,375	99.99%
PT Bank Rakyat Indonesia				
Agroniaga Tbk	2,467,706	87.19%	2,397,751	86.82%
BRI Remittance Co. Limited	2,289	100.00%	2,289	100.00%
PT Asuransi BRI Life	1,626,643	91.00%	1,626,643	91.00%
PT BRI Multifinance Indonesia	660,003	99.00%	660,003	99.00%

PT Bank Rakyat Indonesia (Persero) Tbk
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