

LAPORAN

Tata Kelola Perusahaan

Good Corporate Governance

Implementation Report

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Pendahuluan

Dalam industri perbankan, kegiatan usaha yang berkualitas tercermin dari pertumbuhan bisnis serta ekspansi usaha yang signifikan. Bank dapat berkembang dengan baik apabila bank dapat mendapatkan kepercayaan dari masyarakat.

Pelaksanaan prinsip *Good Corporate Governance* (GCG) sangat diperlukan untuk membangun kepercayaan masyarakat dan dunia internasional sebagai syarat mutlak bagi dunia perbankan untuk berkembang dengan baik dan sehat. Kebutuhan untuk menerapkan prinsip-prinsip GCG dirasakan sangat kuat dalam industri perbankan. Hal tersebut dipengaruhi oleh situasi eksternal dan internal perbankan semakin kompleks dan risiko kegiatan usaha kian beragam. Keadaan tersebut semakin meningkatkan kebutuhan akan praktik tata kelola perusahaan yang sehat di bidang perbankan

Oleh karena itu, PT Bank Mizuho Indonesia berkomitmen untuk senantiasa menyempurnakan penerapan GCG yang mengedepankan prinsip moral dan etika serta praktek-praktek bisnis yang sehat, sehingga tata kelola perusahaan dapat dilakukan dengan baik dan berkelanjutan di setiap kegiatan usaha Bank.

Good Corporate Governance (GCG) di PT. Bank Mizuho Indonesia

PT. Bank Mizuho Indonesia (selanjutnya disebut "**Bank**") menyadari pentingnya GCG dalam mendukung pertumbuhan usaha serta memberi nilai tambah bagi seluruh *stakeholders*.

Penerapan GCG dalam kegiatan usaha memberikan banyak nilai positif, antara lain dapat mendorong kinerja sumber daya perusahaan untuk bekerja secara lebih efektif dan efisien, menghasilkan nilai ekonomi yang berkesinambungan dalam jangka panjang bagi para pemegang saham maupun masyarakat sekitar secara keseluruhan serta mampu bersaing dalam industri perbankan yang semakin kompetitif.

Introduction

In the banking industry, qualified business activity is reflected by business growth and significant business expansion. Banks can flourish if they win the public's trust.

The Implementation of Good Corporate Governance (GCG) principle is needed to gain the trust of the public and that of the international community, which are, essential conditions for the banking sector to experience excellent and sounds growth. In the banking industry, there is a strong sense of necessity to apply the principles of GCG. It is influenced by the external and internal situation in banking of which becoming increasingly complex and the risk in banking operations increasingly diverse. These circumstances are increasing the demand for sound GCG practices in the banking industry.

Therefore, PT Bank Mizuho Indonesia is committed to continuously improving its implementation of GCG which puts emphasis on moral principles and ethics, as well as on sound business practices, so that the practice of corporate governance can be conducted in an excellent and sustainable manner in all of the Bank's business activities.

Good Corporate Governance (GCG) in PT. Bank Mizuho Indonesia

PT. Bank Mizuho Indonesia (hereinafter referred to as the "**Bank**") is aware of the importance of GCG in supporting business growth and providing added value to its stakeholders.

The implementation of GCG in its business activities has many positive values, among others, encouraging the more effective and efficient deployment of the company's resources, generating sustainable economic value in the long term for the shareholders and communities in general, as well as being able to stand its ground in the increasingly competitive banking industry.

Oleh karena itu Bank senantiasa menekankan pentingnya pelaksanaan GCG secara efektif dengan memegang komitmen yang tinggi dalam melaksanakan prinsip-prinsip GCG di setiap kegiatan usaha Bank dan memastikan bahwa GCG telah dilaksanakan dengan sebaik-baiknya guna meningkatkan *shareholder's value* dan menjaga kepercayaan *stakeholder*.

Bank juga berkomitmen untuk terus menyempurnakan pelaksanaan GCG yang mengedepankan prinsip moral dan etika serta praktik-praktik bisnis perbankan yang sehat, sehingga GCG akan senantiasa diterapkan pada setiap lini kegiatan usaha dan menjadi budaya yang berperan penting dalam kelangsungan usaha Bank di masa depan.

Bank berkeyakinan bahwa melalui penerapan GCG yang berkualitas, Bank akan mampu menghadapi tantangan-tantangan perubahan dan perkembangan di lingkungan internal maupun eksternal perbankan yang semakin kompleks yang pada gilirannya akan memberikan kontribusi yang bernilai terhadap peningkatan kinerja usaha dan kepercayaan para pemangku kepentingan.

Kepatuhan terhadap regulasi, penerapan manajemen risiko dan pengendalian internal (*internal control*) yang memadai dan efektif juga menjadi faktor yang sangat penting dalam rangka penyempurnaan pelaksanaan GCG pada Bank.

Komitmen yang tinggi dari Dewan Komisaris, Direksi, dan seluruh karyawan dalam melaksanakan kegiatan dan usaha untuk mencapai sasaran yang telah ditetapkan dengan senantiasa berpedoman pada prinsip-prinsip GCG yang diatur dalam Peraturan Bank Indonesia Nomor 8/4/PBI/2006 beserta perubahannya Nomor 8/14/PBI/2006 tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum, dan Surat Edaran Bank Indonesia Nomor 15/15/DPNP tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum, sebagai berikut:

- **Transparansi** (*transparency*) yaitu keterbukaan dalam mengemukakan informasi yang substansial dan relevan serta keterbukaan dalam melaksanakan proses pengambilan keputusan;

Pelaksanaan prinsip Transparansi tercermin antara lain melalui :

Therefore, the Bank has always stressed the importance of effective implementation of GCG practices by upholding a high level of commitment in implementing GCG principles in all of the Bank's operations, and ensuring that GCG has been implemented as well as possible in order to increase our shareholder's value and maintain the trust of our stakeholders.

The Bank is committed to continuously improve the implementation of GCG that promote moral and ethical principles as well as sound banking practices. Therefore is continuously applied to all line of business and considered a culture, playing an important role in the Bank's continuity for the future.

The Bank believes that through a qualified implementation of GCG, it will be able to respond to the challenges of internal and external changes in the banking sector which are becoming increasingly complex, which will in turn generate valuable contributions toward the enhancement of business performance and toward gaining increasing trust from our stakeholders.

Compliance toward regulations, the implementation of risk management and adequate and effective internal control, have also become vital factors in the effort of improving GCG implementation at the Bank.

Strong commitment from the Board of Commissioners, Board of Directors and all employees in performing the activities and efforts set by consistently looks toward GCG principles as regulated in Bank Indonesia Regulation No.8/4/PBI/2006 and its amendment No.8/14/PBI/2006 on the Implementation of Good Corporate Governance for Commercial Banks, and Bank Indonesia Circular Letter No. 15/15/DPNP on the Implementation of Good Corporate Governance for Commercial Banks. These are as follows:

- **Transparency** i.e. full disclosure in disclosing significant and relevant information, as well as transparency in decision making processes;

Implementation of the principle of Transparency is shown, among other ways, through:

- Pengungkapan kepemilikan saham, hubungan keuangan dan hubungan keluarga serta remunerasi dan fasilitas lainnya oleh Dewan Komisaris dan Direksi melalui laporan pelaksanaan GCG
- Transparansi kondisi keuangan dan non keuangan Bank antara lain dalam bentuk Laporan Tahunan dan Laporan Keuangan Publikasi Triwulan

- Akuntabilitas (*accountability*) yaitu kejelasan fungsi dan pelaksanaan pertanggungjawaban organ bank sehingga pengelolaannya berjalan secara efektif;

Pelaksanaan prinsip Akuntabilitas tercermin antara lain melalui pembagian tugas dan tanggung jawab masing-masing anggota Direksi yang ditetapkan melalui Rapat Umum Pemegang Saham.

- Tanggung Jawab (*responsibility*) yaitu kesesuaian pengelolaan bank dengan peraturan perundang-undangan yang berlaku dan prinsip-prinsip pengelolaan bank yang sehat;

Pelaksanaan prinsip Tanggung Jawab (*responsibility*) tercermin antara lain melalui pelaksanaan tugas Direktur Kepatuhan dalam memastikan kepatuhan Bank terhadap ketentuan yang berlaku.

Disamping itu, Bank juga secara konsisten berupaya untuk memenuhi tanggung jawab sosial (*Corporate Social Responsibilities*) dan kontribusi kepada masyarakat sebagai warga perusahaan (*corporate citizen*) yang baik.

- Independensi (*independency*) yaitu pengelolaan bank secara profesional tanpa pengaruh/tekanan dari pihak manapun;

Pelaksanaan prinsip Independensi tercermin antara lain melalui:

- Pembentukan Komisaris Independen
- Seluruh anggota Dewan Komisaris dan Direksi tidak saling memiliki hubungan keuangan, hubungan keluarga, hubungan kepengurusan, maupun kepemilikan saham

- Disclosure of shares ownership, financial relationship and family relationship as well as remuneration and other facilities by the Board of Commissioners and Board of Directors by reporting the implementation of GCG
- Transparency on financial and non-financial conditions of the Bank, among others, in form of an Annual Report and Quarterly Published Financial Reports.

- Accountability i.e. the clarity of functions and implementation of accountability by the bank's organ, thus ensuring that the management of the bank can be done effectively;

Implementation of the principle of Accountability is reflected, among other ways, through distribution of duties and responsibilities of each member of the Board of Directors, determined in the General Meeting of Shareholders.

- Responsibility i.e. the bank's management performs its duties in accordance with prevailing laws and regulations and sound bank management principles;

Implementation of the principle of Responsibility is reflected among other ways, through implementation of duties of the Compliance Director in ensuring the Bank's compliance toward the prevailing rules and regulations.

In addition, the Bank consistently strives to fulfil its duties in the area of Corporate Social Responsibilities and contribute toward society as a good corporate citizen.

- Independency i.e. the bank is managed professionally without any influence / pressure from any party;

Implementation of the principle of Independency is reflected, among other ways, through:

- The formatting of Independent Commissioners
- All members of the Board of Commissioners and Board of Directors have no financial relationships, family relationships, management relationship, nor shares ownership.

- Kewajaran (*fairness*) yaitu keadilan dan kesetaraan dalam memenuhi hak-hak para pemangku kepentingan yang timbul berdasarkan perjanjian dan peraturan perundang-undangan yang berlaku;

Kewajaran (*fairness*) mengandung unsur perlakuan yang adil dan kesempatan yang sama sesuai dengan proporsinya.

Dalam melaksanakan kegiatannya, Bank senantiasa memperhatikan kepentingan pemegang saham, konsumen dan pemangku kepentingan lainnya berdasarkan asas kewajaran dan kesetaraan dari masing-masing pihak yang bersangkutan.

Sebagai lembaga intermediasi dan lembaga kepercayaan, dalam melaksanakan kegiatan usahanya bank harus menganut prinsip keterbukaan (*transparency*), memiliki ukuran kinerja dari semua jajaran bank berdasarkan ukuran-ukuran yang konsisten sebagai *corporate values*, sasaran usaha dan strategi bank sebagai pencerminan akuntabilitas bank (*accountability*), berpegang pada *prudential banking practices* dan menjamin dilaksanakannya ketentuan yang berlaku sebagai wujud tanggung jawab bank (*responsibility*), objektif dan bebas dari tekanan pihak manapun dalam pengambilan keputusan (*independency*), serta senantiasa memperhatikan kepentingan seluruh stakeholders berdasarkan azas kesetaraan dan kewajaran (*fairness*).

Disamping itu, sebagai wujud komitmen Bank dalam menerapkan GCG, Dewan Komisaris dan Direksi senantiasa berusaha untuk menciptakan budaya kerja yang selaras dengan prinsip-prinsip tata kelola yang sehat serta berperan aktif dalam pelaksanaan 11 (sebelas) aspek GCG.

Dalam melaksanakan GCG, Bank tidak hanya berdasarkan pada Peraturan Bank Indonesia tentang Pelaksanaan Good Corporate Governance bagi Bank Umum, akan tetapi juga berpedoman pada prinsip-prinsip internasional (*international best practices*) yang berlaku mengingat Bank adalah anak perusahaan sebuah grup usaha finansial besar Jepang dengan jaringan kegiatan usaha yang mendunia.

Melanjutkan penilaian secara berkala yang telah dilaksanakan pada tahun-tahun sebelumnya, dengan berpedoman pada

- Fairness i.e. fairness and equality in fulfilling the stakeholders' interests that arise based on agreements and prevailing rules and regulations;

Fairness contains elements of fair treatment and equal opportunity according to proportion.

In conducting its activities, the Bank always considers the interests of its shareholders, customers and other stakeholders based on the principles of fairness and equality of the party in related.

As an intermediary institution and an institution of trust, in conducting its business, the bank must embrace the principle of transparency, having a measure of performance for all ranks in the banks, based on measures that are consistent as corporate values, business objectives and the strategy of the bank, as a reflection of its accountability, adhering to the prudential banking practices, and ensuring compliance to applicable regulations as a form of its responsibility, being objective and independent of any side pressure in decision-making, and always consider the interests of all stakeholders based on the principles of equality and fairness.

In addition, as a form of the Bank's commitment in implementing GCG, the Board of Commissioners and Board of Directors always try to create a working culture that is in harmony with healthy management principles and to actively take part in the implementation of 11 (eleven) aspects of GCG.

In implementing GCG, the Bank shall refer not only to Bank Indonesia's Regulation on the Implementation of Good Corporate Governance for Commercial Banks, but also to prevailing international best practices, given that the Bank is a subsidiary of a large Japanese financial business group with a global business network.

To continue periodic assessments that have been carried out in previous years, referring to Bank Indonesia Circular Letter

Surat Edaran Bank Indonesia Nomor 15/15/DPNP tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum, Bank telah melakukan *self assessment* pelaksanaan GCG untuk periode tahun 2015 dengan peringkat 2 atau setara dengan predikat “**Baik**”.

Laporan Penilaian Sendiri (*Self Assessment*) Pelaksanaan GCG tersebut tersedia pada bagian akhir laporan ini.

A. Transparansi Pelaksanaan Prinsip-Prinsip GCG dalam Kegiatan Usaha dan Jenjang Organisasi Bank

1. Rapat Umum Pemegang Saham

Rapat Umum Pemegang Saham (“RUPS”) adalah organ perusahaan yang memegang kekuasaan tertinggi dalam perusahaan. Keputusan yang diambil dalam RUPS didasari pada kepentingan usaha perusahaan jangka pendek, menengah dan panjang yang dilakukan secara wajar dan transparan.

Mizuho Bank, Ltd, Jepang, selaku Pemegang Saham Pengendali dan PT Bank Negara Indonesia (Persero) Tbk., selaku pemegang saham lokal, memiliki komitmen dan perhatian yang serius terhadap penerapan GCG dalam setiap aspek-aspek kegiatan usaha Bank.

RUPS Bank memiliki kewenangan yang tidak diberikan kepada Direksi atau Dewan Komisaris, antara lain, kewenangan untuk mengangkat dan memberhentikan anggota Dewan Komisaris dan Direksi, mengevaluasi kinerja Dewan Komisaris dan Direksi, menetapkan perubahan Anggaran Dasar Perseroan, memberikan persetujuan atas laporan tahunan perseroan, menetapkan alokasi penggunaan laba dan menetapkan gaji dan tunjangan bagi anggota Dewan Komisaris dan Direksi.

Penyelenggaraan dan pengambilan keputusan RUPS, baik dalam bentuk RUPS Tahunan maupun RUPS Luar Biasa senantiasa mengacu pada ketentuan dan mekanisme sebagaimana telah ditetapkan dalam Anggaran Dasar Bank dan ketentuan perundang-undangan yang berlaku.

No.15/15/DPNP on the Implementation of Good Corporate Governance for Commercial Banks, the Bank has conducted self assessment of GCG implementation for the period of year 2015 with a rating of 2 or equivalent to the predicate “**Good**”.

Self Assessment report on the Implementation of GCG is provided at the end of this report.

A. Transparency on the Implementation of GCG Principles in the Bank’s Business Activities and Organization Hierarchy

1. General Meeting of Shareholders

The General Meeting of Shareholders (“GMS”) is the highest authority in a company. Resolutions of the GMS are taken based on short, medium and long term interests of the company and conducted fairly and transparently.

Mizuho Bank Ltd, Japan, as the Controlling Shareholder and PT. Bank Negara Indonesia (Persero) Tbk., as the local shareholder, are seriously committed and have a strong interest in the implementation of GCG in all aspects of the Bank’s business activities.

The Bank’s GMS has the authority to implement actions which are not granted to the Board of Directors or the Board of Commissioners, including the authority to appoint and discharge members of the Board of Commissioners and Board of Directors; evaluate the performance of Board of Commissioners and Board of Directors; determine amendments to the company’s Articles of Association; determine the company’s annual reports; determine the allocation of profit utilization, and to determine the salaries and remuneration for members of the Board of Commissioners and Board of Directors.

The holding of GMS and resolution in Annual GMS and Extraordinary GMS always refer to the provisions and mechanism as determined in the Bank’s Articles of Association and to prevailing laws and regulations.

Selama tahun 2015, Bank telah menyelenggarakan 2 (dua) kali RUPS yang terdiri dari 1 (satu) kali RUPS Tahunan dan 1 (satu) kali RUPS Luar Biasa (RUPSLB) dengan penjelasan sebagai berikut:

- a. RUPS Tahunan yang diselenggarakan pada tanggal 25 Juni 2015 menghasilkan beberapa keputusan penting, antara lain:
 - 1) Laporan Tahunan Kinerja dan Kegiatan PT. Bank Mizuho Indonesia (BMI) selama Tahun Anggaran 2014 oleh BOD;
 - 2) Adopsi laporan keuangan BMI pada tanggal 31 Desember 2014 dan untuk tahun yang berakhir dengan laporan auditor independen;
 - 3) Laporan Tugas Pengawasan BOC untuk tahun buku yang berakhir 31 Desember 2014;
 - 4) Saldo Laba dan dividen dari BMI untuk tahun buku yang berakhir 31 Desember 2014;
 - 5) Laporan Kebijakan Manajemen BMI & Anggaran untuk tahun 2015;
 - 6) Penunjukan Kantor Akuntan Publik untuk Tahun Anggaran 2015;
 - 7) Ulasan Tahunan Paket Remunerasi untuk BOC dan BOD untuk tahun 2015-2016;
 - 8) Konfirmasi ulang dari susunan BOC dan BOD;
 - 9) Konfirmasi ulang dari pembagian tugas dan tanggung jawab anggota Direksi;
 - 10) Komposisi Ekuitas Bank termasuk Penyesuaian Penghasilan Komprehensif Tahun Buku yang berakhir 31 Desember 2014 dan 2013.
- b. RUPS Luar Biasa melalui mekanisme pengambilan Keputusan yang diedarkan sebagai pengganti RUPS (Circular Resolution in lieu of Extraordinary General Meeting of Shareholders) yang ditandatangani oleh masing-masing pemegang saham Bank yang menyetujui penunjukan Mr. Taizo Makino sebagai pengganti Mr. Mikiro Yamamoto.

2. Pelaksanaan Tugas dan Tanggung Jawab Dewan Komisaris

Komposisi, Kriteria dan Independensi Dewan Komisaris

During the year 2015, the Bank held 2 (two) GMS which consist of 1 (one) Annual GMS and 1 (one) Extraordinary GMS with the following explanation:

- a. Annual GMS, which convened on 25 June 2015, resolved several important resolutions, among others:
 - 1) Annual Report on PT. Bank Mizuho Indonesia (BMI)'s Performance and Activities during the Fiscal Year 2014 by BOD of BMI;
 - 2) Adoption of Financial statements of BMI as of 31 December 2014 and for the year then ended with independent auditors' report;
 - 3) Report on Supervisory Duties by the BOC for Fiscal Year ended 31 December 2014;
 - 4) Retained Earnings and dividend of BMI for Fiscal Year ended 31 December 2014;
 - 5) Report on BMI's Management Policy & Budget for Fiscal Year 2015;
 - 6) Appointment of the Public Accountant Office of BMI for Fiscal Year 2015;
 - 7) Annual Review of Remuneration Package for BOC and BOD of BMI for year 2015 – 2016;
 - 8) Reconfirmation of the composition of BOC and BOD of BMI;
 - 9) Reconfirmation of the distribution of duties and responsibilities of members of BOD of BMI;
 - 10) Composition of Bank's Equity including the Adjustment of Comprehensive Income of Financial Year ended 31 December 2014 and 2013.
- b. Extraordinary GMS through mechanism of Circular Resolutions in lieu of Extraordinary GMS, signed by each shareholder which approved the appointment of Mr. Taizo Makino as replacement of Mr. Mikiro Yamamoto.

2. Implementation of Duties and Responsibilities of the Board of Commissioners

Composition, Criteria and Independency of the Board of Commissioners.

Komposisi

Peraturan Bank Indonesia No.8/4/PBI/2006 sebagaimana telah diubah sebagian dengan Peraturan Bank Indonesia No.8/14/PBI/2006 tentang Penerapan GCG bagi Bank Umum mengatur bahwa :

- a. Anggota Dewan Komisaris suatu Bank minimal berjumlah 3 (tiga) orang dan paling banyak sama dengan jumlah anggota Direksi.
- b. paling kurang 1 (satu) orang anggota Dewan Komisaris harus berdomisili di Indonesia
- c. paling kurang 50% (lima puluh persen) dari jumlah anggota Dewan Komisaris merupakan Komisaris Independen.

Sesuai dengan peraturan Bank Indonesia tentang Pemanfaatan Tenaga Kerja Asing dan Program Alih Pengetahuan di Sektor Perbankan, bagi Bank yang 25% (dua puluh lima persen) atau lebih sahamnya dimiliki oleh warga negara asing dan atau badan hukum asing, dapat memanfaatkan Tenaga Kerja Asing antara lain untuk jabatan Komisaris dengan persyaratan 50% (lima puluh persen) atau lebih dari anggota Dewan Komisaris wajib berkewarganegaraan Indonesia.

Bank telah memenuhi ketentuan tersebut. Jumlah anggota Dewan Komisaris Bank adalah 4 (empat) orang, 2 (dua) diantaranya adalah Komisaris Independen, yang berkewarganegaraan Indonesia dan berdomisili di Indonesia.

Keberadaan Komisaris Independen bertujuan untuk mendorong terciptanya iklim dan lingkungan kerja yang lebih obyektif dan menempatkan kewajaran dan kesetaraan diantara kepentingan termasuk kepentingan pemegang saham minoritas dan pemangku kepentingan lainnya sebagai salah satu prinsip penting dalam pelaksanaan GCG.

Composition

Bank Indonesia Regulation No.8/4/PBI/2006 as partially amended by Bank Indonesia Regulation No.8/14/PBI/2006 on the Implementation of GCG for Commercial Banks, regulates that :

- a. The number of members of the Board of Commissioners of a Bank shall be no less than 3 (three) persons and at the most equal the number of members in the Board of Directors.
- b. At least 1 (one) member of the Board of Commissioners must be domiciled in Indonesia.
- c. At least 50% (fifty percent) of the number of members of the Board of Commissioners shall be Independent Commissioners.

In accordance to Bank Indonesia Regulation on The Utilization of Expatriates and Transfer of Knowledge Program in the Banking Sector, Banks in which 25% (twenty-five percent) or more of their shares are held by foreign citizens or foreign legal entities, may utilize expatriates, among others, for the position as Commissioners as long as 50% (fifty percent) or more of their members of the Board of Commissioners are Indonesian citizens.

The Bank has complied to these requirements. The number of members of the Board of Commissioners is 4 (four) persons and 2 (two) of them are Independent Commissioners of Indonesian nationality / citizenship and domiciled in Indonesia.

The existence of the Independent Commissioners is aimed for creating a more objective climate and working environment and to create fairness and equality among the interests, including that of minority shareholders and other stakeholders, as one of the important principles in the practice of GCG.

Susunan keanggotaan Dewan Komisaris Bank per tanggal 31 Desember 2015 adalah sebagai berikut:

As per 31 December 2015, the composition of the Bank's Board of Commissioners is as follows :

Presiden Komisaris (Komisaris Independen) <i>President Commissioner (Independent Commissioner)</i>	: Rusdi Abdullah Djamil
Komisaris Independen <i>Independent Commissioner</i>	: Muhamad Muchtar
Komisaris <i>Commissioner</i>	: Takuya Ito
Komisaris <i>Commissioner</i>	: Takuya Imada

Kriteria

Seluruh anggota Dewan Komisaris telah memenuhi kriteria yang dipersyaratkan dan memiliki pengalaman panjang dibidang perbankan.

Seluruh pengangkatan dan/atau penggantian anggota Dewan Komisaris disetujui oleh RUPS sejalan dengan kriteria utama dengan mempertimbangkan integritas, kompetensi, profesionalisme dan reputasi keuangan yang memadai sesuai dengan persyaratan penilaian kemampuan dan kepatutan (*fit and proper test*) yang telah ditetapkan oleh Bank Indonesia.

Independensi Dewan Komisaris

Untuk menghindari benturan kepentingan, seluruh anggota Dewan Komisaris tidak saling memiliki hubungan keuangan dan hubungan keluarga dengan anggota Dewan Komisaris lainnya dan/atau anggota Direksi.

Seluruh Komisaris Independen tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan hubungan keluarga sampai dengan derajat kedua dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Pengendali, yang dapat mempengaruhi kemampuannya untuk bertindak independen.

Criteria

All members of the Board of Commissioners have met the required criteria and have bring with them extensive experiences in banking.

All of the appointments and/or replacements of members of the Board of Commissioners were approved by the GMS in accordance with the main criteria by taking into account the integrity, competence, professionalism and adequate financial reputation in line with the requirement of the Fit and Proper Test set by Bank Indonesia.

Independency of Board of Commissioners

To avoid any conflict of interests, all members of the Board of Commissioners do not have financial nor family relationships with other members of the Board of Commissioners and/or members of the Board of Directors.

All Independent Commissioners do not have financial, management, share ownership, nor family relationships, up to the second degree with other members of the Board of Commissioners, Board of Directors and/or Controlling Shareholders that may affect their ability to act independently.

Sehubungan dengan hal tersebut, seluruh anggota Dewan Komisaris Independen telah membuat dan menandatangani Surat Pernyataan Independensi.

Tugas dan Tanggung Jawab Dewan Komisaris

Dewan Komisaris mengawasi dan memastikan bahwa prinsip-prinsip GCG selalu diterapkan dalam setiap kegiatan usaha bank pada berbagai tingkatan dan jenjang organisasi sebagaimana ketentuan yang berlaku, antara lain tercermin dari hasil evaluasi Dewan Komisaris terhadap pelaksanaan kebijakan dan rencana strategis yang diambil oleh Direksi dalam Laporan Pengawasan Dewan Komisaris semester I dan II tahun 2015.

Dewan Komisaris telah melaksanakan kaji ulang terhadap pelaksanaan tugas dan tanggung jawab Direksi secara berkala. Kaji ulang tersebut dilaksanakan antara lain melalui rapat Dewan Komisaris dengan Direksi atau melalui laporan-laporan yang disampaikan oleh SKAI, Komite Audit dan Direktur Kepatuhan.

Dewan Komisaris juga telah menyediakan waktu yang memadai untuk melaksanakan tugas dan tanggung jawabnya secara optimal, serta berperan aktif dalam penyusunan kebijakan internal Bank dengan memberikan persetujuan / pengesahannya.

Disamping itu, Dewan Komisaris juga mengarahkan, memantau dan mengevaluasi pelaksanaan kebijakan strategis Bank, antara lain terhadap penyusunan *Corporate Plan* dan Rencana Bisnis Bank (RBB) serta evaluasi berkala.

Dewan Komisaris tidak terlibat dalam pengambilan keputusan kegiatan operasional Bank. Dengan berkoordinasi dengan Komite Audit dan departemen terkait, Dewan Komisaris telah memastikan bahwa Direksi telah menindaklanjuti temuan audit dan rekomendasi yang disampaikan oleh SKAI, Auditor Ekstern, serta Laporan Hasil Pemeriksaan Otoritas Jasa Keuangan dan/ atau hasil pengawasan otoritas lainnya.

In connection with the above matter, each Independent Commissioner has drawn up and signed a Statement of Independence.

Duties and Responsibilities of the Board of Commissioners

The Board of Commissioners has overseen and ensured that GCG principles is always applied in each of the Bank's business activities, and on all organizational levels and hierarchies, in accordance to prevailing rules and regulation, which is reflected, among other ways, by the results of the Board of Commissioners' evaluations over the implementation of policies and strategic plans by the Board of Directors in the Board of Commissioners' Supervision Report semesters I and II of the year 2015.

The Board of Commissioners has conducted periodical reviews over the implementation of Board of Directors' duties and responsibilities. These reviews have been conducted, among other ways, through meetings between the Board of Commissioners and Board of Directors or through reports submitted by Internal Audit, Audit Committee, and Compliance Director.

The Board of Commissioners has also provided adequate time to perform their duties and responsibilities optimally, as well as taken an active role in the establishment of the Bank's internal policy by providing their approval / endorsement.

In addition, the Board of Commissioners has also directed, monitored and evaluated the implementation of the Bank's strategic policy, among others, over the establishment of Corporate Plan and the Bank's Business Plan and its periodical reviews.

The Board of Commissioners is not involved in the decision-making of the Bank's operational activities. By coordinating with the Audit Committee and related departments, the Board of Commissioners has ensured that the Board of Directors has followed up on audit findings and recommendations made by Internal Audit, External Auditors, and Audit Reports by Financial Services Authority and / or the results of other supervisory authorities.

Mengingat 2 (dua) orang anggota Dewan Komisaris berdomisili di luar negeri, maka komunikasi aktif diantara anggota Dewan Komisaris dalam melaksanakan fungsi pengawasan adalah suatu keharusan. Untuk itu, dengan dukungan satuan kerja *Corporate Relation Unit*, Dewan Komisaris telah menetapkan mekanisme komunikasi antara anggota Dewan Komisaris yang berdomisili di Indonesia dan di luar negeri, antara lain melalui faksimili, *e-mail* maupun media komunikasi lain dengan menggunakan format standar yang telah disepakati bersama.

Mekanisme komunikasi tersebut berjalan cukup efektif sehingga semua laporan atau informasi yang diperlukan dalam rangka pengawasan diterima dan diketahui oleh semua anggota Dewan Komisaris serta arahan dan nasehat terkait dengan fungsi pengawasan dari masing-masing anggota Dewan Komisaris telah dikomunikasikan dengan baik.

Dalam melaksanakan tugas dan tanggung jawabnya, Dewan Komisaris Bank telah dilengkapi pedoman kerja yang dihimpun dalam *Board Manual*. *Board Manual* juga telah mengatur mekanisme rapat Dewan Komisaris termasuk rapat yang dihadiri secara fisik oleh seluruh anggota, sehingga pelaksanaan tugas dan tanggung jawab pengawasan Dewan Komisaris terselenggara secara efektif dan efisien.

Pada tahun 2015, telah dilakukan revisi terhadap *Board Manual* dalam rangka menyesuaikan dengan peraturan – peraturan terkini yang relevan dengan aktivitas operasional Bank sebagai referensi pelaksanaan tugas pengawasan oleh Dewan Komisaris.

Rapat Dewan Komisaris

Selama tahun 2015, Dewan Komisaris telah mengadakan rapat fisik sebanyak 2 (dua) kali, dan dihadiri oleh seluruh anggota Dewan Komisaris melalui teknologi telekonferensi.

Rapat tersebut diselenggarakan antara lain dalam rangka pembahasan terhadap rencana bisnis Bank dan penunjukan kembali anggota komite.

Considering that 2 (two) members of the Board of Commissioners are residing overseas, active communication among members of the Board of Commissioners in performing their supervisory functions is vital. Therefore, with the support of the Corporate Relation Unit, the Board of Commissioners has set a mechanism for communication among members who are domiciled in Indonesia and overseas, among others, via facsimile, e-mail or other communication media using the agreed standard format.

The communication mechanism has been running effectively so that all reports or required information in the course of supervision is received and acknowledged by all members of the Board of Commissioners, as well as, guidance and advice related to the supervisory function of each member of the Board of Commissioners have been well communicated / conveyed.

In performing its duties and responsibilities, the Bank's Board of Commissioners is equipped with working guidance assembled in the Board Manual. The Board Manual also regulates the Board of Commissioners meetings including meetings which are physically attended by all members, so that the duties and responsibilities of the Board of Commissioners are efficiently and effectively implemented.

In the year 2015, the Board Manual was revised in order to adjust it with updated regulations that are relevant to the Bank's current operational activities, as reference for implementing the Board of Commissioners' supervisory duties.

Meeting of the Board of Commissioners

During the year 2015, the Board of Commissioners convened 2 (two) times in physical meetings, and was attended by all members of the Board of Commissioners by means of teleconference technology.

Such meetings were held among other to discuss upon Bank's business plan and reconfirmation of Committee's members.

Diluar Rapat yang dihadiri secara fisik oleh seluruh anggota Dewan Komisaris tersebut, pengambilan keputusan yang diedarkan sebagai pengganti Rapat Dewan Komisaris dalam rangka menyetujui dan memberikan rekomendasi atas penetapan kebijakan dan keputusan strategis yang diambil oleh Direksi, telah pula dilakukan sebanyak 26 (dua puluh enam) kali.

Sebelum melakukan pengambilan keputusan yang diedarkan sebagai pengganti rapat, seluruh anggota Dewan Komisaris telah terlebih dahulu diberitahukan mengenai materi maupun kebijakan yang akan diputuskan. Pengambilan keputusan yang diedarkan tersebut, memiliki kekuatan hukum yang sama dengan keputusan yang diambil secara sah dalam Rapat Dewan Komisaris.

3. Kelengkapan dan Pelaksanaan Tugas Komite - Komite

Dalam rangka mendukung efektivitas fungsi pengawasan aktif Dewan Komisaris sesuai dengan semangat GCG, Dewan Komisaris telah membentuk 3 (tiga) Komite yaitu Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi dengan anggota yang memiliki keahlian yang relevan dan sesuai dengan yang dipersyaratkan. Pengangkatan anggota Komite-Komite tersebut diatas diputuskan oleh Dewan Komisaris dan ditetapkan oleh Direksi.

1. Komite Audit

Struktur, Keanggotaan, Keahlian dan Independensi Anggota Komite Audit

Komite Audit dibentuk berdasarkan keputusan Rapat Dewan Komisaris pada tanggal 27 Juni 2007 dan masing-masing anggota Komite Audit diangkat oleh Direksi pada tanggal 28 Juni 2007.

Sesuai dengan Peraturan Bank Indonesia tentang Pelaksanaan GCG bagi Bank Umum, keanggotaan Komite Audit terdiri dari Komisaris Independen selaku ketua dan beranggotakan 1 (satu) orang Pihak Independen yang memiliki keahlian di bidang perbankan dan 1 (satu) orang Pihak Independen yang memiliki keahlian dibidang keuangan.

Other than meetings that were physically attended by all members of the Board of Commissioners, the Circular Resolutions in lieu of the Board of Commissioners' meetings in the course to approve and provide recommendations over the determination of policies and strategic decisions by the Board of Directors were convened 26 (twenty six) times.

Prior to the Circular Resolutions in lieu of the meeting, all members of the Board of Commissioners were initially informed regarding the subject matter, as well as the policies to be decided by the relevant Circular Resolutions. Resolutions rendered through Circular Resolutions have the same legal power as that lawfully rendered in a Board of Commissioners meeting.

3. The Completeness and Implementation of Committees' Duties

In the course of supporting the effectiveness of the Board of Commissioners' active supervisory functions in accordance with the spirit of GCG, the Board of Commissioners has formed 3 (three) committees - i.e. the Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee, with members who have relevant expertise in line with the requirements. Appointment of members of such Committees was decided by the Board of Commissioners and determined by the Board of Directors.

1. The Audit Committee

Structure, Membership, Skills And Independency of Members of Audit Committee

The Audit Committee was formed on 27 June 2007 pursuant to a decision of the Board of Commissioners. Each member of the Audit Committee was appointed by the Board of Directors on 28 June 2007.

In line with Bank Indonesia regulation regarding the Implementation of GCG for Commercial Banks, the Audit Committee's membership consists of 1 (one) Independent Commissioner as the chairman, 1 (one) Independent Party with banking skills, and 1 (one) Independent Party with expertise in the field of finance.

Selama tahun 2015, terdapat penggantian dan/atau pengangkatan anggota Komite Audit. Susunan keanggotaan Komite Audit per tanggal 31 Desember 2015 adalah sebagai berikut:

During 2015, there is replacement and / or appointment of members of the Audit Committee. The composition of members of the Audit Committee as per 31 December 2015, is as follows:

Ketua / Komisaris Independen <i>Chairman / Independent Commissioner</i>	: Rusdi Abdullah Djamil
Anggota / Pihak Independen <i>Member / Independent Party</i>	: Achmad Herlanto Anggono
Anggota / Pihak Independen <i>Member / Independent Party</i>	: Suindiyo

Tugas dan Tanggung Jawab Komite Audit

Dalam rangka membantu pelaksanaan tugas dan kewajiban pengawasan Dewan Komisaris, Komite Audit antara lain bertugas melakukan pemantauan dan evaluasi serta memberikan pendapat secara profesional dan independen kepada Dewan Komisaris terhadap perencanaan dan pelaksanaan audit serta pemantauan atas tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal termasuk kecukupan proses pelaporan keuangan.

Disamping itu, dalam rangka memberikan rekomendasi kepada Dewan Komisaris, Komite Audit melakukan pengawasan evaluasi antara lain terhadap :

- a. pelaksanaan tugas Satuan Kerja Audit Intern;
- b. penunjukan Kantor Akuntan Publik;
- c. pelaksanaan fungsi Kepatuhan.

Dari awal pembentukan sampai dengan akhir tahun 2015, Komite ini telah berupaya untuk meningkatkan kualitas fungsi pemantauan dan evaluasi terhadap perkembangan dan tindak lanjut hasil audit dalam rangka menilai kecukupan pengendalian internal dan kecukupan proses pelaporan keuangan Bank sesuai dengan semangat GCG.

Tindak lanjut penyelesaian temuan hasil audit internal maupun eksternal termasuk audit yang dilakukan oleh pihak otoritas yang dilaksanakan selama tahun 2015 juga tidak luput dari

Duties And Responsibilities of the Audit Committee

In the course of assisting the implementation of the Board of Commissioners's supervisory duties and responsibilities, the Audit Committee has the duties, among others, to monitor and evaluate as well as provide opinions professionally and independently to the Board of Commissioners over the planning and implementation of audits as well as to monitor over the follow up on audit results in the course of evaluating the adequacy of internal controls, including the adequacy of the financial reporting process.

In addition, in the course of providing recommendations to the Board of Commissioners, the Audit Committee conducts monitoring and evaluation among other over:

- a. implementation of duties of the Internal Audit Working Unit ;
- b. appointment of Public Accountant;
- c. implementation of Compliance function.

From its establishment up to end of the year 2015, this Committee has endeavored to improve the quality of its monitoring and evaluating functions over the progress and follow up of audit result in the course of assessing the adequacy of internal controls and the Bank's financial reporting process in accordance with the spirit of GCG.

Follow-up on the completion of internal and external audit findings, including audit by related authorities during the year 2015, were also monitored and evaluated by the Committee

pemantauan dan evaluasi Komite dan hasilnya telah dilaporkan secara berkala kepada Dewan Komisaris.

Komite ini juga berperan aktif dalam penunjukan Akuntan Publik dan Kantor Akuntan Publik (KAP) dengan memberikan rekomendasi atas penunjukan Akuntan Publik dan KAP oleh Bank untuk tahun 2015 kepada Dewan Komisaris untuk selanjutnya disampaikan oleh Dewan Komisaris dalam RUPS Tahunan yang diselenggarakan pada bulan Juni 2015.

Disamping itu, Komite juga telah melakukan kaji ulang terhadap kesesuaian pelaksanaan audit oleh auditor eksternal untuk tahun buku 2014 dan kesesuaian laporan keuangan Bank tahun 2014 dengan standar akuntansi yang berlaku.

Dalam rangka memastikan efektivitas pelaksanaan tugasnya, Komite telah menetapkan Pedoman dan Tata Tertib Kerja Komite Audit dan Komite Pemantau Risiko yang telah disepakati dan bersifat mengikat bagi setiap anggota Komite pada tanggal 27 Juni 2007 yang telah mengalami perubahan pada tahun 2009 guna mempertegas pengaturan mengenai rangkap jabatan anggota Komite. Selama tahun 2015 tidak terdapat perubahan terhadap Pedoman dan Tata Tertib Kerja Komite.

Rapat Komite Audit

Melalui pertemuan rutin anggota Komite yang dilakukan paling sedikit 1 (satu) kali seminggu, selama tahun 2015 Komite telah menyampaikan laporan dan rekomendasi tertulis mengenai hasil pemantauan dan evaluasi terhadap pelaksanaan audit oleh Satuan Kerja Audit Internal (SKAI) selama tahun 2015 kepada Dewan Komisaris.

Secara keseluruhan, pelaksanaan tugas dan tanggung jawab Komite yang dilakukan melalui pertemuan rutin yang diselenggarakan selama tahun 2015 telah berjalan efektif dan telah menghasilkan laporan dan rekomendasi yang bermanfaat dan dipergunakan sebagai bahan acuan keputusan dan rekomendasi Dewan Komisaris dalam rangka pelaksanaan tugas dan tanggung jawab pengawasan Bank. Kualitas dan efektivitas pelaksanaan tugas dan tanggung jawab Komite akan senantiasa ditingkatkan dimasa-masa yang akan datang.

and the results have been periodically reported to the Board of Commissioners.

The Committee also played an active role in the appointment of Certified Public Accountants and Public Accounting Firm (KAP) by providing recommendations over the appointment of the Bank's KAP for the year 2015 to the Board of Commissioners to be further conveyed by the Board of Commissioners in the Annual GMS held in June 2015.

In addition, the Committee has reviewed the appropriateness of the audit conducted by external auditors for the fiscal year 2014 and the conformity of the Bank's 2014 financial statements to prevailing accounting standards.

In the course of ensuring the effectiveness of the implementation of its duties, the Committee has determined Rules and Working Guidelines of the Audit Committee & Risk Monitoring Committee on 27 June 2007, which were agreed by and binds every member of the Committee and was revised in 2009 to affirm the stipulation pertaining to holding dual positions by a member of the Committee. During 2015, there was no revision to the Rules and Working Guideline of the Committee.

Audit Committee Meeting

Through regular meetings of the Committee's members, which were held at least once a week during the year 2015, the Committee submitted written reports and recommendations to the Board of Commissioners regarding the results of monitoring and evaluation on audits conducted by the Internal Audit Working Unit during the year 2015.

Overall, the performance of the Committee's duties and responsibilities, through regular meetings held during 2015, was effective and produced reports that provided useful recommendations and used as reference for the Board of Commissioners resolutions and recommendations in the course of the implementation of supervisory duties and responsibilities over the Bank. The quality and effectiveness of the Committee's duties and responsibilities will continuously be enhanced in the future.

2. Komite Pemantau Risiko

Struktur, Keanggotaan, Keahlian dan Independensi Anggota Komite Pemantau Risiko

Komite Pemantau Risiko dan susunan keanggotaannya telah dibentuk melalui keputusan rapat Dewan Komisaris tanggal 27 Juni 2007 dan berdasarkan keputusan Dewan Komisaris tersebut, masing-masing anggota Komite Pemantau Risiko diangkat oleh Direksi pada tanggal 28 Juni 2007.

Sesuai dengan Peraturan Bank Indonesia tentang Pelaksanaan GCG bagi Bank Umum, keanggotaan Komite Pemantau Risiko terdiri dari seorang Komisaris Independen, 1 (satu) orang Pihak Independen yang memiliki keahlian dibidang keuangan dan 1 (satu) orang Pihak Independen yang memiliki keahlian dibidang manajemen risiko.

Selama tahun 2015, terdapat penggantian dan/atau pengangkatan anggota Komite Pemantau Risiko. Susunan keanggotaan Komite Pemantau Risiko per tanggal 31 Desember 2015 adalah sebagai berikut:

Ketua / Komisaris Independen <i>Chairman / Independent Commissioner</i>	: Muhamad Muchtar
Anggota / Pihak Independen <i>Member / Independent Party</i>	: Nanny Dewi
Anggota / Pihak Independen <i>Member / Independent Party</i>	: Hendry Khendy

Tugas dan Tanggung Jawab Komite Pemantau Risiko

Komite ini bertanggung jawab membantu pelaksanaan tugas dan kewajiban pengawasan Dewan Komisaris, yaitu melakukan evaluasi tentang kesesuaian antara kebijakan manajemen risiko dengan pelaksanaan kebijakan tersebut dalam kegiatan Bank dan melakukan pemantauan serta evaluasi terhadap pelaksanaan tugas Komite Manajemen Risiko dan Satuan Kerja Manajemen Risiko, guna memberikan rekomendasi kepada Dewan Komisaris.

2. The Risk Monitoring Committee

Structure, Membership, Skills And Independency of Members of Audit Committee

The Risk Monitoring Committee and its membership composition were formed through a resolution of the Board of Commissioners on 27 June 2007, and based on the relevant resolution, each member of the Risk Monitoring Committee was appointed by the Board of Directors on 28 June 2007.

In line with Bank Indonesia regulation regarding the Implementation of GCG for Commercial Banks, the membership of the Risk Monitoring Committee consists of 1 (one) Independent Commissioner, 1 (one) Independent Party who has expertise in finance, and 1 (one) Independent Party who has expertise in risk management.

During the year 2015, there was replacement and/ or appointment of the member of the Risk Monitoring Committee. The composition of members of the Risk Management Committee as per 31 December 2015, is as follows:

Duties And Responsibilities of the Risk Monitoring Committee

This Committee is responsible in assisting the implementation of the Board of Commissioners' supervising duties and responsibilities i.e. to evaluate the consistency between risk management policies and the implementation of the relevant policies in the Bank's activities, and to monitor and evaluate the implementation of duties of the Risk Management Committee and the Risk Management Working Unit in order to provide recommendations to the Board of Commissioners.

Dalam rangka pelaksanaan tugas dan tanggung jawabnya, pada tanggal 27 Juni 2007 Komite telah menetapkan Pedoman dan Tata Tertib Kerja Komite Audit dan Komite Pemantau Risiko yang disepakati dan bersifat mengikat bagi setiap anggota Komite pada yang telah mengalami perubahan pada tahun 2009 guna mempertegas pengaturan mengenai rangkap jabatan anggota Komite. Selama tahun 2015 tidak terdapat perubahan terhadap Pedoman dan Tata Tertib Kerja Komite.

Sebagaimana halnya Komite Audit, dari awal pembentukan sampai dengan akhir tahun 2015, Komite ini juga telah berupaya untuk meningkatkan kualitas fungsi pemantauan dan evaluasi terhadap penerapan kebijakan manajemen risiko Bank dengan melakukan evaluasi berkala terhadap laporan pertanggungjawaban Direksi terkait dengan pelaksanaan kebijakan manajemen risiko Bank dan evaluasi terhadap efektivitas pelaksanaan tugas Satuan Kerja Manajemen Risiko Bank, sesuai dengan semangat GCG.

Secara keseluruhan, pelaksanaan tugas dan tanggung jawab Komite yang dilakukan melalui pertemuan rutin yang diselenggarakan selama tahun 2015 telah berjalan efektif dan telah menghasilkan laporan dan rekomendasi yang bermanfaat dan dipergunakan sebagai bahan acuan keputusan dan rekomendasi Dewan Komisaris dalam rangka pelaksanaan tugas dan tanggung jawab pengawasan Bank. Kualitas dan efektivitas pelaksanaan tugas dan tanggung jawab Komite akan terus ditingkatkan dari waktu ke waktu.

Rapat Komite Pemantau Risiko

Melalui pertemuan rutin anggota Komite yang dilakukan paling sedikit 1 (satu) kali seminggu, selama tahun 2015 Komite telah menyampaikan laporan dan rekomendasi tertulis mengenai hasil pemantauan dan evaluasi terhadap pelaksanaan kebijakan manajemen risiko Bank kepada Dewan Komisaris.

Dari pelaksanaan rapat tersebut, Komite Pemantau Risiko telah melaksanakan pemantauan dan evaluasi atas kesesuaian pelaksanaan kebijakan manajemen risiko Bank yang dilakukan oleh Komite dengan melakukan kaji ulang terhadap laporan pertanggungjawaban Direksi atas pelaksanaan kebijakan manajemen risiko yang disampaikan secara triwulanan.

In the course of implementing its duties and responsibilities, on 27 June 2007 the Committee issued the Rules and Working Guidelines of Audit Committee and Risk Monitoring Committee which were agreed upon and binding to all members of the Committee, which were revised in 2009 to affirm the stipulation regarding dual position members of the Independent Party in the Committee. During 2015, there was no revision to the Rules and Working Guideline of the Committee.

As in the case of the Audit Committee, since its formation up to the end of 2015, the Committee has endeavored to increase its monitoring and evaluation functions over the implementation of the Bank's risk management policy by conducting periodic evaluations over the Board of Directors' accountability relating to the implementation of the Bank's management policy and evaluation of the effectiveness of the Bank's Risk Management Working Unit's duties in accordance to the spirit of GCG.

Overall, the implementation of the Committee's duties and responsibilities conducted through regular meetings held during the year 2015, has been effective, and produced useful reports and recommendations to be used as reference for Board of Commissioners resolutions and recommendations in the course of the implementation of its duties and supervisory responsibilities. The quality and effectiveness of the performance of the Committee's duties and responsibilities will continuously be enhanced from time to time.

Risk Monitoring Committee Meeting

Through routine meetings conducted by members of the Committee which were convened at least once a week during 2015, the Committee submitted written reports and recommendations regarding results of monitoring and evaluation over the implementation of the Bank's risk management to the Board of Commissioners.

Through these meetings, the Risk Monitoring Committee has carried out monitoring and evaluation over the suitability of the implementation of the Bank's risk management policies which were conducted by the Committee by reviewing the Board of Directors accountability reports on the implementation of risk management policy, which were submitted quarterly.

Guna mendapatkan gambaran dan pemahaman yang menyeluruh dalam rangka pelaksanaan tugas pemantauan dan evaluasi tersebut, Komite juga melakukan pertemuan langsung baik dengan anggota Direksi, perwakilan Komite Manajemen Risiko maupun Satuan Kerja Manajemen Risiko guna membahas aspek-aspek tertentu pelaksanaan manajemen risiko Bank yang memerlukan perhatian dan memberikan rekomendasi perbaikan, apabila diperlukan.

3. Komite Remunerasi dan Nominasi

Struktur, Keanggotaan, Keahlian dan Independensi Anggota Komite Remunerasi dan Nominasi

Komite Remunerasi dan Nominasi dan susunan keanggotaannya dibentuk melalui keputusan rapat Dewan Komisaris yang diselenggarakan pada tanggal 31 Juli 2007. Berdasarkan keputusan Dewan Komisaris tersebut, masing-masing anggota Komite Remunerasi dan Nominasi diangkat oleh Direksi pada tanggal 31 Juli 2007.

Sesuai dengan kebijakan nominasi Bank, Komite berkewajiban untuk memberikan rekomendasi kepada Dewan Komisaris mengenai calon anggota Dewan Komisaris dan Direksi untuk disampaikan oleh Dewan Komisaris kepada RUPS.

Sesuai dengan Peraturan Bank Indonesia tentang Pelaksanaan GCG bagi Bank Umum, keanggotaan Komite Remunerasi dan Nominasi Bank terdiri dari 2 (dua) orang Komisaris Independen, 1 (satu) orang Komisaris non-Independen, 1 (satu) orang Pejabat Eksekutif Bank yang membawahkan sumber daya manusia.

In order to get a thorough picture and understanding of the implementation of monitoring and evaluation of duties, the Committee also held meetings with members of the Board of Directors, representatives of the Risk Management Committee and Risk Management Unit, to discuss certain aspects of the Bank's risk management practices that require attention and recommendations for improvement, whenever necessary.

3. The Remuneration and Nomination Committee

Structure, Membership, Skills And Independency of Members of Remuneration and Nomination Committee

The Remuneration and Nomination Committee and its membership were formally established through a resolution of the Board of Commissioners on 31 July 2007. Based on the relevant resolution, each member of the Remuneration and Nomination Committee was appointed by the Board of Directors on 31 July 2007.

In accordance with the Bank's nomination policy, the Committee is obliged to provide recommendations to the Board of Commissioners regarding candidates for member of the Board of Commissioners and Board of Directors to be submitted by the Board of Commissioners to the GMS.

In line with Bank Indonesia regulation regarding the Implementation of GCG for Commercial Banks, the Remuneration and Nomination Committee membership consists of 2 (two) Independent Commissioners, 1 (one) Non-Independent Commissioner, and 1 (one) Bank's Executive Official in charge of human resources.

Posisi 31 Desember 2015, susunan keanggotaan Komite Remunerasi dan Nominasi adalah sebagai berikut:

As of 31 December 2015, the composition of members of the Remuneration and Nomination Committee is as follows:

Ketua / Komisaris Independen <i>Chairman / Independent Commissioner</i>	: Rusdi Abdullah Djamil
Anggota / Komisaris Independen <i>Member / Independent Commissioner</i>	: Muhamad Muchtar
Anggota / Komisaris <i>Member / Commissioner</i>	: Takuya Ito
Anggota / Komisaris <i>Member / Commissioner</i>	: Takuya Imada
Anggota / Pejabat Eksekutif <i>Member / Executive Official</i>	: Bowo Trahutomo Suharso

Tugas dan Tanggung Jawab Komite Remunerasi dan Nominasi

Komite ini bertugas dan bertanggung jawab atas hal-hal yang terkait dengan kebijakan remunerasi yaitu melakukan evaluasi terhadap kebijakan remunerasi Bank dan memberikan rekomendasi kepada Dewan Komisaris mengenai kebijakan remunerasi bagi Dewan Komisaris dan Direksi untuk disampaikan kepada RUPS dan kebijakan remunerasi bagi Pejabat Eksekutif dan karyawan Bank untuk disampaikan kepada Direksi.

Dalam rangka pelaksanaan tugas dan tanggung jawabnya, Komite Remunerasi dan Nominasi telah menetapkan Pedoman dan Tata Tertib Kerja yang telah disepakati dan bersifat mengikat bagi setiap anggota Komite pada tanggal 20 Agustus 2007. Pada tahun 2015 tidak dilakukan perubahan atas Pedoman dan Tata Tertib Kerja tersebut.

Sama halnya Komite-Komite lain, dari awal pembentukan sampai dengan akhir tahun 2015, Komite Remunerasi dan Nominasi telah berupaya menjalankan fungsi pemantauan dan evaluasi terhadap aspek-aspek pelaksanaan kebijakan remunerasi dan nominasi Bank.

Duties and Responsibilities of Remuneration and Nomination Committee

This Committee has the duties and responsibilities on matters relating to remuneration policy i.e. to conduct evaluations over the Bank’s remuneration policy and provide recommendations to the Board of Commissioners regarding remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the GMS and the remuneration policy for the Executive Officials and the Bank’s employees to be submitted to the Board of Directors.

In the course of the implementation of its duties and responsibilities, on 20 August 2007 the Remuneration and Nomination Committee has issued the Rules and Working Guidelines of the Remuneration and Nomination Committee which were agreed by and bind all members of the Committee. In 2015 there was no an amendment for rules and working guidelines.

Similar with other Committees, since their formation up to the end of 2015, the Remuneration and Nomination Committee has endeavored to implement its monitoring and evaluation functions over the implementation of the Bank’s remuneration and nomination policy aspects.

Laporan hasil evaluasi dan rekomendasi atas penetapan paket remunerasi anggota Dewan Komisaris dan Direksi untuk tahun 2015 - 2016 telah disampaikan Komite kepada Dewan Komisaris dan selanjutnya telah disampaikan oleh Dewan Komisaris kepada RUPS melalui RUPS Tahunan pada bulan Juni 2015.

Secara keseluruhan, pelaksanaan tugas dan tanggung jawab Komite Remunerasi dan Nominasi selama tahun 2015 telah berjalan efektif melalui pertemuan dan pembahasan intensif mengenai hal-hal yang terkait dengan kebijakan remunerasi Bank dan telah menghasilkan laporan dan rekomendasi yang bermanfaat dan dipergunakan sebagai bahan acuan keputusan dan rekomendasi Dewan Komisaris dalam rangka pelaksanaan tugas dan tanggung jawab pengawasan Bank.

Reports on evaluation results and recommendations over the Remuneration Package for members of the Board of Commissioners and Board of Directors for years 2015 – 2016 were submitted by the Committee to the Board of Commissioners and subsequently were submitted by the Board of Commissioners to GMS through the Annual GMS, which was held in June 2015.

Overall, the performance of the Remuneration and Nomination Committee's duties and responsibilities during 2015 has been effectively implemented through meetings and intensive discussions regarding matters relating to the Bank's remuneration policy, and resulted in beneficial reports and recommendations to be used as reference for the Board of Commissioners' resolutions and recommendations with regard to the implementation of its supervisory duties and responsibilities toward the Bank.

Rapat-Rapat Komite / Meetings of Committees

Periode: Januari - Desember 2015 / Period: January - December 2015

Frekuensi / Frequency	Rapat Komite / Committees Meetings					
	Komite Audit		Komite Pemantau Risiko		Komite Remunerasi Dan Nominasi	
	Audit Committee		Risk Monitoring Committee		Remuneration and Nomination Committee	
	Rapat Fisik	Rapat Lainnya	Rapat Fisik	Rapat Lainnya	Rapat Fisik	Rapat Lainnya
	Physical Meeting	Other Meetings *)	Physical Meeting	Other Meeting*)	Physical Meeting	Other Meeting*)
Rusdi A. Djamil	17	16	-	-	4	-
Muhamad Muchtar 1)	7	-	3	49	4	-
Takuya Ito	-	-	-	-	4	-
Takuya Imada	-	-	-	-	4	-
Achmad Herlanto Anggono	24	28	-	-	-	-
Ian Febrian 2)	-	-	1	20	-	-
Nanny Dewi	-	-	3	39	-	-
Usmansjah Sulaiman 3)	8	6	-	-	-	-
Suindiyo 4)	12	23	-	-	-	-
Hendry Khendy 5)	-	-	1	20	-	-
Bowo Trahutomo Suharso	-	-	-	-	4	-

Kunjungan rutin ke Bank / Routine visit to the Bank

- Muhamad Muchtar menghadiri meeting Komite Audit berdasarkan Surat Kuasa dari Rusdi A. Djamil/
attended Audit Committee meeting based on Power of Attorney from Rusdi A. Djamil
- Ian Febrian meninggal 7 maret 2015/ deceased 7 March 2015
- Usmansjah Sulaiman berhenti 31 Maret 2015/ resigned 31 March 2015
- Suindiyo menggantikan 25 Juni 2015/ replaced Usmansjah Sulaiman 25 June 2015
- Hendry Khendy menggantikan 6 Agustus 2015/ replaced Ian Febrian 6 August 2015

4. Pelaksanaan Tugas dan Tanggung Jawab Direksi

Sebagai organ perusahaan yang mengemban fungsi eksekutif, Direksi bertanggung jawab penuh atas pengurusan Bank sehari-hari termasuk mengimplementasikan strategi dan rencana jangka panjang serta jangka pendek Bank, sesuai dengan kewenangan dan tanggung jawabnya sebagaimana diatur dalam Anggaran Dasar dan peraturan perundang-undangan yang berlaku.

Komposisi, Kriteria dan Independensi Direksi

Selama tahun 2015, terdapat pengangkatan atau penggantian anggota Direksi. Susunan Keanggotaan Direksi Bank per tanggal 31 Desember 2015 adalah sebagai berikut:

Presiden Direktur/President Director	: Mitsunobu Hasegawa
Wakil Presiden Direktur/Deputy President Director	: Fumiro Kimura
Direktur/Director	: Roosmaladewi
Direktur/Director	: Silvia Lidwina Schram
Direktur/Director	: Leonard Wilson Lay
Direktur/Director	: Taizo Makino
Direktur/Director	: Djadi

Seluruh anggota Direksi tidak saling memiliki hubungan keuangan dan hubungan keluarga sampai dengan derajat kedua dengan sesama anggota Direksi dan/atau dengan anggota Dewan Komisaris.

Anggota Direksi baik secara sendiri-sendiri atau bersama-sama tidak memiliki saham melebihi 25% (dua puluh lima persen) dari modal disetor pada suatu perusahaan lain.

Anggota Direksi tidak memberikan kuasa umum kepada pihak lain yang mengakibatkan pengalihan tugas dan fungsi Direksi.

4. Implementation of the Board of Directors's Duties and Responsibilities

As the company's organ responsible for the executive function, the Board of Directors is fully responsible for the Bank's daily management, including the implementation of the Bank's short-term and long-term strategies according to its authority as stipulated in the Articles of Association and prevailing rules and regulations.

Composition, Criteria and Independency of the Board of Directors

During the year 2015, there were no appointment or replacement of member of the Board of Directors. As per 31 December 2015, the composition of members of the Board of Directors is as follows:

All of the members of the Board of Directors do not have financial nor family relationships with one another up to the second degree with other members of the Board of Directors and/or Board of Commissioners.

Members of the Board of Directors, either individually or jointly, do not hold shares of more than 25% (twenty-five percent) of the paid-in capital in another company.

Members of the Board of Directors do not give proxies to other parties resulting in the transfer of duties and functions of the Board of Directors.

Seluruh anggota Direksi memiliki integritas, kompetensi, profesionalisme dan reputasi keuangan yang memadai sesuai dengan persyaratan penilaian kemampuan dan kepatutan (*Fit and Proper Test*) yang telah ditetapkan oleh Bank Indonesia.

Tugas dan Tanggung Jawab Direksi

Berdasarkan Keputusan RUPSTahunan tertanggal 25 Juni 2015, pembagian tugas dan tanggung jawab diantara anggota Direksi adalah sebagai berikut:

- Sdr. Mitsunobu Hasegawa, Presiden Direktur membawahkan departemen *Internal Audit*;
- Sdr. Fumiro Kimura, Wakil Presiden Direktur, membawahkan 5 (lima) departemen, yaitu *Loan Administration, Operation Planning & Control, Information Technology, Integrated System Development, General Affairs*, dan 2 (dua) unit yaitu *Corporate Relation dan Intra Office Inspection*;
- Sdri. Silvia Lidwina Schram, Direktur, membawahkan 2 (dua) departemen, yaitu *Financial, Control & Planning dan Human Resources*;
- Sdr. Leonard Wilson Lay, Direktur, membawahkan 2 (dua) departemen, yaitu *Credit Risk Control dan Manajemen Risiko*;
- Sdr. Taizo Makino, Direktur, membawahkan 4 (empat) departemen, yaitu *Business Development, Treasury, Corporate Customer Service dan Corporate Development*;
- Sdr. Djadi, Direktur, membawahkan 4 (empat) departemen, yaitu *Treasury Settlement, Bills, Operation dan Remittance*;
- Sdri. Roosmaladewi, Direktur, membawahkan 2 (dua) departemen, yaitu *Kepatuhan dan Hukum*.

Seluruh anggota Direksi tidak memiliki jabatan rangkap baik sebagai anggota Dewan Komisaris, Direksi, dan Pejabat Eksekutif pada Bank, perusahaan dan/atau lembaga lain.

Sesuai dengan ketentuan Bank Indonesia, Direksi selalu mengungkapkan kebijakan Bank yang bersifat strategis di bidang kepegawaian kepada seluruh pegawai melalui rapat bulanan dan media lainnya maupun melalui pembahasan rutin dengan Serikat Pekerja.

All members of the Board of Directors have the integrity, competence, professionalism, and financial reputation required by the Fit and Proper Test set by Bank Indonesia.

Duties And Responsibilities of the Board of Directors

Based on Resolution of the Annual GMS dated 25 June 2015, the distribution of duties and responsibilities among members of the Board of Directors is as follows:

- Mr. Mitsunobu Hasegawa, President Director, is in charge of the Internal Audit Department;
- Mr. Fumiro Kimura, Deputy President Director, is in charge of 5 (five) departments i.e. Loan Administration, Operations Planning & Control, Information Technology, Integrated System Development, General Affairs, and 2 (two) units i.e. Corporate Relation and Intra Office Inspection;
- Ms. Silvia Lidwina Schram, Director, is in charge of 2 (two) departments i.e. Financial, Control & Planning and Human Resources;
- Mr. Leonard Wilson Lay, Director, is in charge of 2 (two) departments i.e. Credit Risk Control and Risk Management;
- Mr. Taizo Makino, Director, is in charge of 4 (four) departments i.e. Business Development, Treasury, Corporate Customer Service and Corporate Development;
- Mr. Djadi, Director, is in charge of 4 (four) departments i.e. Treasury Settlement, Bills, Operation and Remittance;
- Ms. Roosmaladewi, Director, is in charge of 2 (two) departments i.e. Compliance and Legal.

All members of the Board of Directors are not holding dual positions as Commissioner, Directors nor Executive Officials in the Bank, and/or in other companies or institutions.

In line with Bank Indonesia Regulations, the Board of Directors has disclosed the Bank's strategic policies on employee related matters to all employees through monthly meetings and other media as well as in routine meetings with the Labor Union.

Dalam melaksanakan tugas dan tanggung jawab pengurusan, Direksi senantiasa mengedepankan prinsip kehati-hatian dalam setiap kegiatan usaha dan jenjang organisasi Bank.

Direksi telah memiliki pedoman kerja yang telah dibukukan dalam *Board Manual*. *Board Manual* antara lain mencantumkan pengaturan rapat Direksi yaitu 1 (satu) kali seminggu atau apabila dianggap perlu. Pada tahun 2015, telah dilakukan revisi terhadap *Board Manual* dalam rangka menyesuaikan dengan peraturan – peraturan terkini yang relevan dengan aktifitas operasional Bank sebagai referensi pelaksanaan tugas dan tanggung jawab pengurusan Direksi.

In performing its daily management duties and responsibilities, the Board of Directors at all times prioritizes prudential principle in all business activity and organization hierarchies of the bank.

The Board of Directors has a working guidelines as stated in the Board Manual which rules determine, amongst others, states that the Board of Director's meetings, shall be held once a week or whenever deemed necessary. In 2015, the Board Manual was revised in the course of making adjustments to the most recent regulations that are relevant to the Bank's operational activities as referenced in implementing managing duties and responsibilities of the Board of Directors.

Rapat-Rapat Dewan Komisaris dan Direksi Meetings of the board of Commissioners and Board of Directors Periode : Januari - Desember 2015 Period : January - December 2015						
Frekuensi/Frequency	Rapat Dewan Komisaris Board of Commissioners Meetings			Rapat Dewan Komisaris dan Direksi Board of Commissioners and Board of Directors Meetings	Rapat Direksi Board of Directors Meetings	
	Rapat Fisik Physical Meetings	Rapat lainnya Other Meetings*	Keputusan Lainnya Circular Resolutions	Rapat Meetings	Rapat Fisik Physical Meetings	Keputusan Lainnya Circular Resolutions
Rusdi A. Djamil	2	26	26	3	-	-
Muhamad Muchtar	2	46	26	3	-	-
Takuya Ito	2	-	26	3	-	-
Takuya Imada	2	-	26	3	-	-
Mitsunobu Hasegawa	-	-	-	3	32	9
Fumiro Kimura	-	-	-	2	37	9
Roosmaladewi	-	-	-	3	41	9
Silvia Lidwina Schram	-	-	-	3	40	9
Mikiro Yamamoto 1)	-	-	-	1	9	2
Taizo Makino 2)	-	-	-	2	31	7
Djadi Lee	-	-	-	3	45	9
Leonard Wilson Lay	-	-	-	3	43	9

* Kunjungan rutin ke Bank/ Routine visit to Bank.

1) Mikiro Yamamoto berhenti / resigned per 1 April 2015

2) Taizo Makino menggantikan / replaced Mikiro Yamamoto per 1 April 2015

Disamping itu, untuk memastikan berjalannya prinsip-prinsip GCG dalam setiap kegiatan dan operasional Bank pada segenap jenjang organisasi Bank, Direksi telah membentuk Satuan Kerja Audit Internal, Satuan Kerja Manajemen Risiko dan Satuan Kerja Kepatuhan. Direksi juga telah membentuk beberapa komite eksekutif yang bertugas membantu pelaksanaan tugas pengurusan Direksi terhadap beberapa aspek kegiatan usaha dan operasional yang strategis yaitu:

In addition to ensuring the integration of GCG principles into all of the Bank's operations and activities, at all levels of the Bank's, the Board of Directors has issued the Internal Audit, Risk Management and Compliance working units. The Board of Directors has also formed several executive committees to assist the performance of management duties and responsibilities of the Board of Directors for particular aspect of business activities and strategic operational activities:

1. Komite Manajemen Risiko

Komite Manajemen Risiko bertugas membantu Direksi dalam menetapkan kebijakan, strategi dan prosedur Manajemen Risiko serta melakukan evaluasi dan penyempurnaan pelaksanaan kebijakan dan strategi serta prosedur manajemen risiko Bank.

Komite Manajemen Risiko beranggotakan Presiden Direktur, Wakil Presiden Direktur, para Direktur serta Kepala departemen-departemen Manajemen Risiko, *Credit Risk Control*, *Financial Control & Planning*, *Internal Audit* dan *Operation Planning & Control*.

Hasil evaluasi dan rekomendasi atas penyempurnaan pelaksanaan kebijakan manajemen risiko Bank disampaikan kepada Direksi (yang juga merupakan anggota Komite Manajemen Risiko) melalui pertemuan yang diselenggarakan secara berkala dan pertemuan insidental lainnya.

2. Komite Kebijakan Kredit

Komite ini bertugas membantu Direksi dalam menyusun kebijakan dan prosedur perkreditan dan melakukan pemantauan dan/atau evaluasi terhadap pelaksanaan kebijakan perkreditan Bank secara keseluruhan.

Komite Kebijakan Kredit diketuai oleh Presiden Direktur dan beranggotakan Wakil Presiden Direktur, para Direktur, dan Kepala departemen-departemen *Credit Risk Control*, *Business Development*, Manajemen Risiko, Kepatuhan, *Internal Audit*, dan *Loan Administration*.

Komite Kebijakan Kredit melakukan pertemuan berkala guna membahas dan mengevaluasi pelaksanaan kebijakan kredit selama tahun 2015, antara lain mengenai perkembangan dan kualitas portofolio kredit secara keseluruhan dan kecukupan pencadangan untuk kredit bermasalah, menelaah aspek-aspek kepatuhan Bank terhadap ketentuan yang berlaku dan kebijakan internal yang terkait dengan perkreditan, kesimpulan dan rekomendasi hasil audit internal dibidang perkreditan dan penyempurnaan beberapa kebijakan dan prosedur terkait dengan perkreditan.

1. The Risk Management Committee

The Risk Management Committee's duties are to assist the Board of Directors in determining risk management policies, strategies and procedures, and to conduct evaluations over and improvements on the implementation of the Bank's risk management policies, strategies and procedures.

Members of the Risk Management Committee are the President Director, Deputy President Director, the Directors, and Department Heads of Management Risk, Credit Risk Control, Financial Control & Planning, Internal Audit and Operation Planning & Control.

Evaluation and recommendation result, for improvement to the Bank's risk management policies are submitted to the Board of Directors (which is also a member of the Risk Management Committee), through periodical meetings and other incidental meetings.

2. The Credit Policy Committee

The Credit Policy Committee's duties are to assist the Board of Directors in determining credit policies and procedures, as well as conducting monitoring and evaluation over the overall implementation of credit policies and procedures in the Bank.

The Credit Policy Committee is chaired by the President Director with members consisting of the Deputy President Director, the Directors, and the Department Heads of Credit Risk Control, Business Development, Risk Management, Compliance, Internal Audit, and Loan Administration.

The Committee has held periodic meetings to discuss and evaluate the implementation of credit policies during the year 2015, which included: the development and quality of overall credit portfolio and sufficiency of reserve for non-performing loans, observations of the Bank's compliance to prevailing regulations and internal provisions in credit areas, conclusions and recommendations of internal audit results in credit areas, and improvements to a number of policies and procedures related to credit.

3. Komite Kredit

Komite ini merupakan komite operasional yang melakukan evaluasi dan membantu Presiden Direktur dalam mengambil keputusan atas pengajuan kredit untuk jumlah dan kriteria tertentu, termasuk juga menyetujui dan/atau menolak pengajuan penyelesaian kredit macet.

Komite Kredit diketuai oleh Presiden Direktur dan beranggotakan Direktur yang membawahkan *Credit Risk Control*; Direktur yang membawahkan *Business Development*, Kepala Departemen *Credit Risk Control* dan Kepala Departemen *Business Development* yang berkepentingan.

Pengajuan kredit dalam jumlah dan kriteria tertentu yang memerlukan keputusan rapat Kredit Komite antara lain adalah kredit kepada debitur baru dengan total eksposur senilai sama dengan atau lebih dari USD 10,000,000 (sepuluh juta Dolar Amerika Serikat) atau nilai setara dalam mata uang lainnya dan kredit kepada debitur yang sedang berjalan dengan total eksposur senilai sama dengan atau lebih dari USD 30,000,000 (tiga puluh juta Dolar Amerika Serikat) atau nilai setara dalam mata uang lainnya; dan/atau kredit yang akan diberikan kepada nasabah yang memiliki peringkat kredit rendah sesuai dengan ketentuan Bank Indonesia yang berlaku.

4. Komite Pengarah Teknologi Informasi (TI) (“IT Steering Committee”)

IT Steering Committee membantu tugas dan tanggung jawab pengurusan Direksi mengenai perencanaan dan penerapan teknologi informasi Bank, yaitu merumuskan dan mengajukan proyek pengembangan dan infrastruktur bidang TI serta melakukan evaluasi dan pelaporan atas perkembangan dan hasil pengembangan dan infrastruktur TI tersebut kepada Direksi.

Anggota tetap *IT Steering Committee* terdiri dari Presiden Direktur, Wakil Presiden Direktur, Direktur yang membawahkan Manajemen Risiko, Direktur yang membawahkan Bisnis, Kepala Departemen TI, Kepala Departemen Manajemen Risiko, Kepala Departemen *Integrated System Development*, dan Kepala Departemen *Operation, Planning & Control*.

3. The Credit Committee

The Credit Committee is an operational committee which conducts evaluations and assists the President Director in deciding on credit applications in certain amount and criteria, including approving and/or rejecting applications for bad debt settlements.

The Credit Committee is chaired by the President Director, and consists of the Director who oversees Credit Risk Control; Director who oversees Business Development, head of Credit Risk Control and Head of Business Development Departments.

Credit applications in certain amount and criteria that require decisions from the Credit Committee among others, are credits to new debtors with total exposure amounting to or more than USD 10,000,000 (ten million United States Dollar) or its equivalent in other currencies; credits to existing debtors with a total exposure amounting to or more than USD 30,000,000 (thirty million United States Dollar) or its equivalent in other currencies; and/ or credits to be granted to customers that are categorized as having low credit rating according to the prevailing Bank Indonesia regulations.

4. The Information Technology (IT) Steering Committee

The IT Steering Committee is formed to assist the implementation of the Board of Directors’ duties and responsibilities in relation to the planning and implementing of the Bank’s IT i.e. formulating and proposing IT development and infrastructure projects, as well as, evaluating and reporting the progress and results of IT development and infrastructure projects to the Board of Directors.

Permanent members of the IT Steering Committee are the President Director, Deputy President Director, the Director in charge of Risk Management, Head of IT Department, the Department Heads of Risk Management, Integrated System Development, and Operation, Planning & Control.

Komite ini bertugas memberikan rekomendasi kepada Direksi mengenai rencana strategis TI dan kesesuaian antara proyek-proyek TI yang telah disetujui dengan rencana strategis TI serta kesesuaian TI dengan kebutuhan sistem informasi manajemen dan kegiatan usaha Bank.

Selain itu, Komite ini juga bertugas untuk memantau kinerja TI dan upaya peningkatannya serta hal-hal lainnya yang berhubungan dengan penerapan manajemen risiko di bidang TI.

IT Steering Committee melakukan pertemuan berkala sedikitnya 2 (dua) kali dalam setahun guna membahas dan mengevaluasi perkembangan dan penyelesaian beberapa proyek TI dan memberikan rekomendasi atas penetapan Rencana Strategis TI Bank oleh Direksi.

5. Assets and Liabilities Committee (ALCO)

Komite ini bertugas membantu Direksi dalam memastikan efektivitas pelaksanaan *Asset Liability Management* (ALM) dan pengawasan manajemen risiko Bank khususnya yang terkait dengan eksposur risiko suku bunga, nilai tukar dan likuiditas.

Komite ini diketuai oleh Presiden Direktur dan beranggotakan Wakil Presiden Direktur, Direktur yang membawahkan Departemen Manajemen Risiko dan Direktur yang membawahkan Departemen *Financial, Control & Planning*, Direktur yang membawahkan *Treasury*, Kepala Departemen *Treasury*, Kepala Departemen *Financial, Control & Planning* dan Kepala Departemen Manajemen Risiko.

Komite ini melaksanakan pertemuan rutin secara bulanan guna membahas dan mengevaluasi kinerja pengelolaan aktiva dan kewajiban serta kecukupan likuiditas Bank untuk selanjutnya menetapkan kebijakan strategis terkait dengan pengelolaan eksposur risiko yang berhubungan dengan posisi dana dan valuta asing yang dimiliki oleh Bank.

The Committee's duties are to give recommendations to the Board of Directors regarding IT's strategic plans and suitability between the determined IT projects and IT's strategic plan, as well as suitability between the necessity of IT and that of management information systems and the Bank's business activities.

The Committee also has the duty to monitor the performance of IT and efforts to improve it, as well as other matters relating to the application of risk management in the field of IT.

The IT Steering Committee holds regular meetings at least twice a year to discuss and evaluate the development and completion of several IT projects, and gives recommendations over the determination of the Bank's IT strategic plan by the Board of Directors.

5. The Assets and Liabilities Committee (ALCO)

This Committee's duties are to ensure the effectiveness of the implementation of Asset Liability Management (ALM) and supervision of the Bank's risk management, particularly relating to risk exposure associated with interest rate, foreign exchange and liquidity.

The Committee is chaired by the President Director with members consisting of the Deputy President Director, Director in charge of Risk Management, and Director in charge of Financial, Control & Planning, Director in charge in Treasury, and Department Heads of Treasury, Head of Finance, Control and Planning Department, and Head of Risk Management Department.

The Committee holds monthly regular meetings to discuss and evaluate the performance of assets and liabilities management, as well as the sufficiency of the Bank's liquidity to determine strategic policies in relation to the management of risks exposure of funds and foreign exchange positions.

6. Komite Produk dan Aktivitas Baru

Komite ini bertugas untuk memastikan berjalannya proses telaah yang memadai terhadap aspek-aspek penting yang melingkupi produk dan/aktivitas baru yang akan dipasarkan atau diluncurkan oleh Bank.

Penelitian dan analisis kepatuhan dan manajemen risiko terhadap produk dan/atau aktivitas baru merupakan bagian penting dan menjadi perhatian Komite, disamping kesiapan Bank terkait aspek hukum dan aspek operasional lainnya seperti sistem dan prosedur, sistem informasi akuntansi dan teknologi informasi sehubungan dengan pemasaran dan peluncuran produk dan/atau aktivitas baru tersebut.

Komite ini diketuai oleh Presiden Direktur dan Satuan kerja Manajemen Risiko sebagai sekretaris Komite. Anggota Komite lainnya adalah anggota Direksi yang membawahi departemen/unit yang mengajukan produk dan/atau aktivitas baru dan Kepala Departemen Kepatuhan dan Kepala departemen/unit kerja lainnya yang menangani proses operasional atas produk dan/atau aktivitas baru tersebut.

5. Fungsi kepatuhan, Audit Internal dan Audit Ekstern

1. Fungsi Kepatuhan

Pelaksanaan fungsi kepatuhan Bank dilakukan mengikuti Peraturan Bank Indonesia No.13/2/PBI/2011 tanggal 12 Januari 2011 tentang Pelaksanaan Fungsi Kepatuhan Bank Umum.

Sesuai ketentuan Bank Indonesia, Bank memiliki Direktur Kepatuhan yang memenuhi kriteria yang ditetapkan antara lain dalam hal persyaratan independensi.

Di dalam memastikan kepatuhan Bank dan pengawasan terhadap risiko kepatuhan, Direktur Kepatuhan dibantu oleh Departemen Kepatuhan yang fungsi dan kedudukannya *independent* terhadap satuan kerja operasional.

6. The New Product and Activity Committee

The Committee's duty is to ensure adequate review process over important aspects covering new products and/or activities which will be promoted or launched by the Bank.

Compliance and risk management review and analysis of new products and/or activities are important aspects and are of great interest to this Committee, in addition to the readiness of the Bank on the legal aspect and other operational aspects, such as systems and procedures, accounting information system, and information technology, in relation to the promotion and launching of such new products and/or activities.

The Committee is chaired by the President Director and the Risk Management working unit, in its capacity as Secretary of the Committee. Other members of the Committee are members of the Board of Directors in charge of departments/working units, which initiate new products and/or activities, the Head of the Compliance Department, and the heads of other departments/working units handling operation processes of new products and/or activities.

5. Compliance, Internal Audit and External Audit Functions

1. Compliance Function

The Bank's compliance function is implemented according to Bank Indonesia Regulation No. 13/2/PBI/2011 dated 12 January 2011 on the Implementation of Compliance Function of Commercial Banks.

In line with Bank Indonesia regulation, the Bank has appointed a Compliance Director who meets the criteria set by Bank Indonesia, especially, in terms of independency.

In ensuring the Bank's compliance and its monitoring over compliance risk, the Compliance Director is assisted by the Compliance Working Unit, whose function and position is independent of the Bank's operational working units.

Fungsi Kepatuhan Bank meliputi tindakan untuk :

- a. mewujudkan terlaksananya budaya kepatuhan pada semua tingkatan organisasi dan kegiatan usaha Bank.
- b. mengelola Risiko Kepatuhan yang dihadapi oleh Bank .
- c. memastikan agar kebijakan, ketentuan, sistem, dan prosedur serta kegiatan usaha yang dilakukan oleh Bank telah sesuai dengan ketentuan Bank Indonesia dan peraturan perundang-undangan yang berlaku
- d. memastikan kepatuhan Bank terhadap komitmen yang dibuat oleh Bank kepada Bank Indonesia dan/atau otoritas pengawas lain yang berwenang.

Selama tahun 2015, upaya peningkatan kesadaran kepatuhan tetap menjadi fokus penerapan program kerja yang dilaksanakan oleh Direktur Kepatuhan dan Departemen Kepatuhan.

Kepatuhan Bank terhadap hukum, perundang-undangan dan peraturan yang berlaku dalam setiap aspek kegiatan usaha dan operasional Bank telah dikelola dengan baik. Hal ini antara lain tercermin antara lain dari :

- a. Pemberian petunjuk praktis mengenai ketentuan atau hal-hal yang berkaitan dengan kepatuhan oleh Direktur Kepatuhan dalam pertemuan bulanan seluruh karyawan telah dilaksanakan secara berkesinambungan.
- b. Disamping itu juga diberikan sesi khusus terhadap staf baru guna membekali yang bersangkutan dengan pedoman dan ketentuan yang berlaku, sebagai langkah awal untuk menumbuhkan kesadaran kepatuhan.
- c. Pemeriksaan kepatuhan (*compliance check*) terhadap aspek-aspek penting dalam aktivitas usaha dan operasional Bank serta memastikan pelaksanaan dan pemenuhan komitmen Bank kepada pihak otoritas
- d. Disamping pelaksanaan pemeriksaan kepatuhan, Departemen Kepatuhan secara rutin menyelenggarakan pelatihan guna meningkatkan pemahaman karyawan terhadap pentingnya penerapan kepatuhan dalam kegiatan usaha Bank.

The Bank's Compliance Function covers the following actions:

- a. To realize the implementation of compliance culture in all organizational levels of the Bank.
- b. To manage the compliance risk which is faced by the Bank.
- c. To ensure that policy, rules, system and procedures, and all business activities of the Bank are already in line with Bank Indonesia regulations and other prevailing laws and regulations.
- d. To ensure the Bank's compliance with any commitment made to Bank Indonesia and/or other competent authorities.

During the year 2015, efforts to enhance compliance awareness remained the focus of the implementation of the working program of the Compliance Director and Compliance Department.

The Bank's compliance with prevailing laws and regulations in every aspect of business activities and operations of the Bank has been well managed, as reflected, among other ways, through :

- a. Practical guidance from the Compliance Director with regard to regulations or compliance related matters to all employees in monthly meetings has been conducted continuously.
- b. In addition, special sessions for newly hired staff in order to equip them with guidance and reference to prevailing rules and regulation as the starting point to raise the awareness of compliance.
- c. Compliance checks on important aspects in the Bank's business and operational activities and ensuring the implementation and fulfillment of the Bank's commitments to the authorities.
- d. Aside from the implementation of compliance checks, the Compliance Department regularly conducts training in order to enhance the staff's understanding on the necessity of implementing compliance in the Bank's business activities.

- e. Direktur Kepatuhan dan Departemen Kepatuhan telah melaksanakan fungsi konsultasi di bidang kepatuhan guna memastikan bahwa kegiatan usaha dan operasional Bank tidak menyimpang atau melanggar ketentuan yang berlaku dan bertindak sebagai *contact person* terkait dengan komunikasi dengan Otoritas Jasa Keuangan, Bank Indonesia dan institusi lainnya.
- f. Terhadap peraturan Bank Indonesia dan/atau Otoritas Jasa Keuangan yang baru diterbitkan, Departemen Kepatuhan telah melakukan pendistribusian dan sosialisasi peraturan terbaru kepada departemen-departemen terkait serta memastikan bahwa kebijakan dan prosedur serta petunjuk kepatuhan Bank telah sesuai dengan peraturan yang diterbitkan tersebut.

Selama tahun 2015, Bank telah menerapkan program Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT) yang antara lain tercermin dari :

- a. Penyampaian Laporan *Action Plan* tahun 2015 dan Realisasi Pengkinian Data Nasabah tahun 2014 kepada Otoritas Jasa Keuangan, bekerjasama dengan departemen terkait, pada tanggal 28 Januari 2016
- b. Revisi terhadap Kebijakan dan Prosedur Penerapan Program Anti Pencucian Uang dan Pendanaan Terorisme sesuai dengan peraturan Kepala PPATK No. PER-02/1.02/PPATK/02/15 mengenai Kriteria Pengguna Jasa yang Berpotensi Melakukan Tindak Pidana Pencucian Uang.
- c. Memantau kelengkapan data/informasi Nasabah yang telah dikinikan untuk nasabah lama pada ERP system secara berkala (triwulan), yang telah dilakukan pada bulan Januari, April, Juli dan Oktober 2015.
- d. Pelatihan Anti Pencucian Uang:
Selama Januari – Desember 2015 telah melakukan 4 (empat) pelatihan sebagai berikut:
 - 1) 10 Februari 2015 melakukan pelatihan terkait Ketentuan OFAC untuk menghindari penanganan transaksi yang terkait dengan Iran.
 - 2) 18 - 20 Mei 2015 melakukan pelatihan terkait proses penerimaan nasabah dan sosialisasi ketentuan baru.

- e. The Compliance Director and Compliance Department have performed consultative function in the field of compliance to ensure that the Bank's business operational activities did not deviate or violate the prevailing provisions and acted as a contact person in relation to communication with *Otoritas Jasa Keuangan*, Bank Indonesia or other institutions.
- f. Toward recently issued Bank Indonesia and/or *Otoritas Jasa Keuangan* regulation, the Compliance Department conducted distribution and socialization of the recently issued regulation to related departments and ensured that policy and procedures, as well as compliance manual are already inline with the newly issued regulation.

During the year 2015, Bank has implemented the Anti Money Laundering (AML) and Counter Financing of Terrorism (CFT) Program which is reflected among others, through:

- a. Submission of the Action Plan 2015 report and the Customer Data Updating Realization in 2014 to *Otoritas Jasa Keuangan*, in cooperation with relevant departments, on 28 January 2016.
- b. Revisions to Policies and Procedures on the Application of Anti-Money Laundering and Terrorism Financing in accordance with the rules of Head of PPATK No. PER-02/1.02/PPATK/02/15 regarding Criteria of Service User which Potentially Committed to Anti Money Laundering Crime.
- c. Monitoring the completeness of updated customer data / information on quarterly basis for existing customers in the ERP system which have been conducted in January, April, July and October 2015
- d. Anti-Money Laundering Training:
During the period of January - December 2015 the following 4 (four) trainings have been conducted:
 - 1) 10 February 2015 training on OFAC Regulation to Avoid handling Iran related transaction.
 - 2) 18 – 20 May 2015 training related to on boarding process and familiarization of new regulation.

- 3) 22 dan 28 September 2015, melakukan pelatihan terkait identifikasi Transaksi Keuangan mencurigakan berdasarkan Surat Edaran PPAJK No. SE-03/1.02/PPATK/05/15.
 - 4) 12, 13, 19 dan 20 Oktober 2015 bekerjasama dengan Lembaga Anti Pencucian Uang Indonesia (LAPI/BIP) melakukan pelatihan penyegaran untuk pemahaman umum APU dan PPT kepada seluruh staff.
- e. Melakukan review berkala terhadap "Penilaian Risiko Nasabah" (*Customer Risk Assessment (CRA)*) dilakukan setiap bulan bekerjasama dengan departemen terkait
- f. Pelatihan untuk staff *compliance* baik *soft skills* maupun *hard kills*.

Disadari bahwa mengembangkan budaya kepatuhan di lingkungan Bank, menerapkan prinsip-prinsip GCG dan penerapan prinsip kehati-hatian merupakan keharusan, sehingga langkah-langkah perbaikan dalam rangka meningkatkan dan memperkuat fungsi kepatuhan serta meningkatkan kesadaran kepatuhan di seluruh jajaran pengurus dan karyawan Bank merupakan upaya yang harus dilakukan secara berkesinambungan.

2. Fungsi Audit Internal

Audit Internal adalah bagian dari fungsi pengendalian internal Bank yang memainkan peranan penting dalam melakukan evaluasi terhadap efektivitas fungsi pengendalian internal, kepatuhan dan manajemen risiko Bank.

Departemen Audit Internal adalah satuan kerja audit internal (SKAI) sebagai fungsi independen yang bertanggung-jawab langsung kepada Presiden Direktur.

Pembentukan, kewenangan, tanggung jawab, profesionalisme, organisasi, dan cakupan tugas SKAI telah mengacu pada standar fungsi audit internal (SPFAIB) yang ditetapkan dalam Peraturan Bank Indonesia Nomor No.1/6/PBI/1999 tanggal 20 September 1999 tentang Penugasan Direktur Kepatuhan dan Penerapan Standar Pelaksanaan Fungsi Audit Internal Bank Umum.

- 3) 22 and 28 September 2015 training on Identification of Suspicious Financial Transaction based on PPAJK Circular Letter No. SE-03/1.02/PPATK/05/15.
 - 4) 12, 13, 19, and 20 October 2015 in cooperation with Indonesian Institute of Anti-Money Laundering (LAPI/BIP) conduct refresher training aimed at giving all staff a general understanding of AML and CFT.
- e. Conduct periodic reviews of the Customer Risk Assessment (CRA), conducted monthly in cooperation with the relevant departments.
- f. Training for staff compliance, including soft skills and hard skills.

The Bank is aware that promoting compliance culture within the Bank's environment, practicing GCG principles and applying the prudential principles are a must, in order that measures aiming at enhancement and strengthening the compliance function, as well as compliance awareness in all levels of the Bank's management and employees, must be conducted continuously.

2. Internal Audit Function

Internal Audit is part of the Bank's internal controlling function, which plays an important role in evaluating the effectiveness of internal controls, compliance, and the Bank's risk management.

The Internal Audit Department is an internal audit working unit, having an independent function directly responsible to the President Director.

The establishment, authority, responsibilities, professionalism, organization and scope of work of SKAI have already referred to the internal audit function performance standards (SPFAIB) as stated in Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999, on the Assignment of Compliance Director and the Commercial Bank Internal Audit Function Implementation Standard.

Fungsi utama SKAI adalah memastikan kecukupan sistem pengendalian internal Bank serta melakukan pengawasan terhadap efektivitas dan efisiensi kegiatan usaha dan kualitas kinerja dengan pendekatan berbasis risiko (*Risk Based Audit*).

Setiap awal tahun, SKAI menyusun program audit berbasis risiko dan telah diterapkan pada sebagian besar aktivitas operasional yang memiliki risiko yang signifikan. Sepanjang tahun 2015, SKAI telah melaksanakan 18 (delapan belas) kali audit yang meliputi bidang dan/atau aktivitas operasional bank termasuk penugasan pemeriksaan khusus terkait dengan dugaan kejadian fraud eksternal.

Dari pelaksanaan kegiatan audit berbasis risiko tersebut, secara umum dapat disimpulkan bahwa pelaksanaan manajemen risiko, pengendalian internal dan tata kelola aktivitas dan operasional Bank telah dilaksanakan dengan baik, tidak ditemukan adanya pelanggaran atau permasalahan serius yang dapat mempengaruhi kelangsungan usaha Bank.

Sebagian besar temuan dan rekomendasi hasil audit lebih kepada saran perbaikan terhadap pemantauan dan kontrol internal di beberapa area dan/atau aktivitas operasional dan non-operasional Bank serta pengkinian prosedur kerja, yang pada gilirannya dapat diperbaiki atau ditindaklanjuti melalui tindakan rutin.

Realisasi dan rekomendasi perbaikan atas hasil audit yang dilaksanakan SKAI selama tahun 2015 telah dilaporkan kepada Presiden Direktur dan Otoritas Jasa Keuangan dengan tembusan kepada Direktur Kepatuhan, Dewan Komisaris dan Komite Audit dan telah ditindak lanjuti secara berkala.

Pelaksanaan fungsi Audit Internal telah berjalan cukup efektif dan memenuhi standar minimum yang tercantum pada Standar Penerapan Fungsi Audit Internal Bank (SPFAIB). Kualitas pelaksanaan audit akan terus ditingkatkan secara berkesinambungan seiring dengan peningkatan kompleksitas dan ekposur risiko Bank.

The main function of the SKAI is ensuring the adequacy of the Bank's internal control systems, as well as supervising the effectiveness and efficiency of business activities and performance quality using a Risk-Based Audit approach.

At the beginning of each year, SKAI prepares a Risk-Based Audit program which has been applied to operation activities with the most significant risk. During the year 2015, the SKAI conducted 18 (eighteen) audits covering areas and/or bank operational activities including special audit assignment related to the alleged external fraud event.

From the implementation of the relevant Risk-Based Audit, in general, it can be concluded that the implementation of risk management, internal control, and management as well as the Bank's operational activities have been carried out well, with no serious violations or problems whatsoever that may affect the Bank's business continuity.

Most of the findings and recommendations of the audit were related to advice on the improvement of the Bank's monitoring and internal control in several areas and/ or operations and non-operations activities, as well as updates of working procedure, which in turn, can be rectified or followed up through routine actions.

The realization and improvement recommendations as a result of audits conducted by SKAI during 2015 have been reported to the President Director and *Otoritas Jasa Keuangan* with copies to the Compliance Director, Board of Commissioners, and Audit Committee, and these have been periodically followed up.

The implementation of Internal Audit function has been running effectively and meets the minimum standard as stated in the "Standards of Implementation of Internal Audit Function in Banks" (SPFAIB). The quality of audit implementation will be continuously improved according to the increase of the Bank's risk complexity and exposure.

3. Fungsi Audit Ekstern

Sesuai dengan Peraturan Bank Indonesia, Bank wajib menunjuk Akuntan Publik dan Kantor Akuntan Publik untuk tujuan pelaksanaan audit laporan keuangan Bank.

Melalui RUPS Tahunan yang diselenggarakan pada tanggal 25 Juni 2015, Kantor Akuntan Publik Siddharta Widjaja & Rekan (*member of KPMG International*) telah ditunjuk sebagai auditor eksternal untuk melaksanakan audit independen atas laporan keuangan Bank untuk tahun buku yang berakhir pada tanggal 31 Desember 2015.

Penunjukan Akuntan Publik tersebut telah memenuhi persyaratan legalitas dan administratif sesuai dengan ketentuan yang berlaku, dimana akuntan publik yang ditunjuk merupakan Akuntan Publik yang terdaftar di Bank Indonesia dan penunjukannya telah memperoleh persetujuan RUPS berdasarkan calon yang diajukan oleh Dewan Komisaris sesuai rekomendasi Komite Audit.

Hasil audit oleh Akuntan Publik telah menyimpulkan bahwa laporan keuangan Bank untuk tahun buku yang berakhir pada tanggal 31 Desember 2015 disajikan secara wajar dalam semua hal yang material sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia. Laporan hasil audit atas laporan keuangan Bank tersebut telah disampaikan oleh Akuntan Publik kepada Otoritas Jasa Keuangan pada tanggal 31 Maret 2016.

6. Penerapan Manajemen Risiko

Penerapan manajemen risiko didasarkan atas kebijakan manajemen risiko yang telah ditetapkan oleh Bank sejak tahun 2004.

Tujuan utamadari Manajemen Risiko Bank dalam kaitannya pada setiap kategori risiko adalah untuk mempertahankan aktifitas operasional secara hati-hati sehingga tidak menimbulkan kerugian yang melebihi kemampuan permodalan Bank serta membahayakan kelangsungan usaha Bank.

3. External Audit Function

In accordance with Bank Indonesia regulations, the Bank shall appoint a Public Accountant and Public Accounting Firm for the purpose of an independent audit of the Bank's financial report.

Through the AGMS which convened on 25 June 2015, the Public Accounting Firm Siddharta Widjaja & Rekan (member of KPMG International) was appointed as external auditor to perform an independent audit on the Bank's financial report for the financial year ending 31 December 2015.

The appointment of the Public Accountant has fulfilled the legal and administrative requirements according to prevailing rules and regulations, where the appointed Public Accountant is registered at Bank Indonesia and the appointment has obtained the approval of a GMS based on candidates proposed by the Board of Commissioners by recommendation of the Audit Committee.

The results of audit by the Public Accountant concluded that the Bank's financial report for the financial year that ended on 31 December 2015 was presented fairly in everything that is material in nature and according to accounting principles generally accepted in Indonesia. The Audit Report on the Bank's financial report were submitted by the Public Accountant to *Otoritas Jasa Keuangan* on 31 March 2016.

6. Application of Risk Management

The application of risk management is based on risk management policy which the Bank has established by the Bank since the year 2004.

The main objective of Bank Risk Management as it pertains to each risk category is to maintain prudence in operational activities, in order that it does not inflict losses on the Bank which exceed its losses absorbing ability, as well and threaten the continuity of the Bank's business.

Bank senantiasa berusaha untuk menerapkan manajemen risiko secara efektif, komprehensif dan berkesinambungan sesuai dengan ukuran dan kompleksitas usaha Bank.

Sesuai dengan regulasi, Bank telah menerapkan manajemen risiko terhadap 8 (delapan) jenis risiko utama, yang meliputi risiko kredit, risiko pasar, risiko likuiditas, risiko operasional, risiko hukum, risiko reputasi, strategi reputasi dan risiko kepatuhan.

Proses penerapan manajemen risiko yang telah dilakukan oleh Bank antara lain mencakup hal-hal sebagai berikut:

a. Pengawasan aktif Dewan Komisaris dan Dewan Direksi

Sebagai salah satu bentuk upaya untuk mewujudkan pengawasan aktif Dewan Komisaris dan Dewan Direksi, Bank telah menetapkan wewenang dan tanggung jawab Dewan Komisaris dan Dewan Direksi, terkait dengan penerapan manajemen risiko sebagaimana tercantum dalam Kebijakan Manajemen Risiko Bank.

Tugas dan wewenang Dewan Komisaris dalam kaitannya dengan penerapan Manajemen Risiko antara lain: mengevaluasi dan menyetujui Kebijakan Manajemen Risiko dan perubahannya, serta mengevaluasi pertanggungjawaban Dewan Direksi terhadap penerapan Manajemen Risiko, berdasarkan laporan pertanggungjawaban Dewan Direksi yang dilaporkan setiap triwulan.

Dewan Komisaris dengan dukungan Komite Pemantau Risiko telah melakukan pengawasan dan evaluasi terhadap penerapan manajemen risiko Bank. Pengawasan tersebut telah berjalan secara efektif melalui komunikasi aktif antara Komite Pemantau Risiko dengan Departemen Manajemen Risiko dan departemen lain yang dipandang relevan dalam penerapan dan pengembangan proses manajemen risiko secara komprehensif pada Bank.

Satuan Kerja Manajemen Risiko sendiri berusaha untuk senantiasa melibatkan serta memberikan informasi terkini atas risiko-risiko yang dihadapi oleh Bank

The Bank always strives to effectively, comprehensively and sustainably implement risk management in proportion to the size and complexity of the Bank's business.

In accordance with regulation, the Bank has implemented risk management on 8 (eight) types of main risks, including credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, and compliance risk.

The process of risk management implementation carried out by the Bank among other cover the followings:

a. The Board of Commissioners and Board of Directors Active Supervision

One of the Bank's efforts to create active supervision by the Board of Commissioners and Board of Directors, is through establishing the authorities and responsibilities of Board of Commissioners and the Board of Directors, in relation to risk management implementation as stated in the Bank's Risk Management Policy.

The duty and authority of the Board of Commissioners in relation to the implementation of Risk Management, among others, are as follow: to evaluate and approve Risk Management Policy and its amendment and to evaluate the Board of Directors's accountability over Risk Management implementation, based on the Board of Directors Accountability Report which is prepared on quarterly basis.

The Board of Commissioners, with the support of the Risk Monitoring Committee, has performed supervision and evaluation over the implementation of the Bank's risk management. This supervision has been performed effectively through active communication between the Risk Monitoring Committee and Risk Management Department and other departments that are deemed relevant in implementing and developing a comprehensive risk management in the Bank.

Risk Management Department also continuously give effort to take an interest in and provide up-to-date information on the risks faced by the Bank by submitting

dengan menyampaikan setiap risalah rapat ALCO yang diadakan sekali dalam sebulan dan risalah rapat Komite Manajemen Risiko yang diadakan setiap tiga bulan sekali kepada anggota Komite Pemantau Risiko.

b. Penetapan Kebijakan Manajemen Risiko

Direksi dengan persetujuan Dewan Komisaris telah menetapkan kebijakan Manajemen Risiko Bank terhadap 8 (delapan) aspek risiko tersebut diatas. Disamping itu, Direksi juga telah menetapkan kebijakan dan prosedur serta penetapan Risk Appetite dan Risk Tolerance sesuai dengan kapasitas permodalan Bank dan sejalan dengan strategi bisnis dan selanjutnya terus diupayakan penyempurnaannya dari waktu ke waktu.

Penetapan kebijakan manajemen risiko antara lain dilakukan dengan cara menetapkan strategi manajemen risiko, yang berusaha untuk memastikan bahwa:

- Bank tetap mempertahankan eksposur risiko yang sesuai dengan kebijakan, prosedur internal Bank, serta peraturan perundang-undangan dan ketentuan lain yang berlaku.
- Bank dikelola oleh sumber daya manusia yang memiliki kapabilitas di bidang manajemen risiko, sesuai dengan kompleksitas dan kemampuan usaha Bank.

c. Kecukupan Proses Identifikasi, Pengukuran, Pemantauan dan Pengendalian Risiko serta Sistem Informasi Manajemen Risiko

Bank melakukan proses identifikasi risiko dengan tujuan mengidentifikasi seluruh jenis risiko yang melekat pada setiap aktivitas fungsional yang memiliki potensi untuk merugikan Bank dan mengukur profil risiko Bank guna memperoleh gambaran efektivitas penerapan manajemen risiko.

Proses identifikasi, pengukuran, pemantauan dan pelaporan terefleksi pada penilaian profil risiko yang dibuat oleh Bank setiap kuartal dimana dalam pelaksanaannya Bank melakukan analisa terhadap akar permasalahan dan menyimpulkan dari ke-8 jenis risiko, risiko mana saja yang dipandang material dan signifikan sesuai dengan karakter bisnis Bank.

the minutes of meeting of every ALCO meeting, which is held once a month and the minutes of meeting of the Risk Management Committee, held once every three months, to the Risk Monitoring Committee's members.

b. Establishment of Risk Management Policy

The Board of Directors, with approval from the Board of Commissioners, has established the Bank's Risk Management Policy covering the 8 (eight) risks aspects mentioned above. In addition, the Board of Directors has also determined policies and procedures as well as Risk Appetite and Risk Tolerance in line with the Bank's capital capacity and in accordance with the Bank's business strategy, and continuously strives to improve these from time to time.

The establishment of the risk management policy was done by determining risk management strategy to ensure that:

- The Bank maintains its risk exposure in accordance with its policy, internal procedures, prevailing rules and regulations and other regulations
- The Bank is managed by human resources possessing risk management field capabilities, in accordance with the complexity and ability of the Bank's business.

c. The Adequacy of Risk Identification, Measurement Monitoring and Controlling Processes, as well as Risk Management Information System.

Bank conducts risk identification process with the purpose to identify all types of inherent risks in every functional activity that has potential to make the Bank suffer loss and to measure the Bank's risk profile in order to obtain a picture of the effectiveness of its risk management implementation.

The processes of identifying, measuring, monitoring and reporting are reflected on risk profile assessment prepared by the Bank each quarter, where in practice, the Bank analyzes the root of the problem and concludes which out of the 8 types of risks is considered as being material and significant in accordance to the character of the Bank's business. The implementation of risk monitoring and controlling

Penerapan pemantauan dan pengendalian risiko meliputi penetapan limit secara individual dan keseluruhan/konsolidasi. Penetapan limit dilakukan dengan memperhatikan kemampuan modal Bank untuk dapat menyerap eksposur risiko atau kerugian yang timbul, dan tinggi rendahnya eksposur Bank dengan mempertimbangkan pengalaman kerugian di masa lalu dan kemampuan sumber daya manusia.

d. Sistem Pengendalian Internal

Sistem Pengendalian Internal Bank terdiri dari lima elemen utama yang satu sama lain saling berkaitan, yaitu Pengawasan oleh Manajemen dan Kultur Pengendalian, Identifikasi dan Penilaian Risiko, Kegiatan Pengendalian dan Pemisahan Fungsi, Sistem Akuntansi, Informasi dan Komunikasi, serta Kegiatan Pemantauan dan Tindakan Koreksi Penyimpangan/Kelemahan.

Dewan Komisaris dan Direksi bertanggungjawab dalam meningkatkan etika kerja dan integritas serta menciptakan suatu kultur organisasi yang menekankan pentingnya sistem pengendalian internal yang berlaku di Bank kepada seluruh karyawan.

Di samping itu, keberadaan Sistem Pengendalian Internal dapat dilihat sebagai sarana dari Manajemen untuk melakukan fungsi kustodian atas aset Bank dan memastikan tersedianya pelaporan keuangan dan manajerial yang dapat dipercaya, meningkatkan kepatuhan Bank terhadap ketentuan dan peraturan perundang-undangan yang berlaku, serta mengurangi risiko terjadinya kerugian, penyimpangan dan pelanggaran aspek kehati-hatian.

Bank telah menerapkan strategi Anti Fraud yang sejalan dengan penerapan manajemen risiko secara keseluruhan.

Bank terus melakukan penelitian terhadap metodologi penilaian risiko fraud yang cocok untuk Bank. Bank juga telah melakukan penilaian risiko fraud dimana Bank telah mengidentifikasi skenario dan skema risiko fraud yang berpotensi terjadi.

covers the establishing of limits, both individually and in whole / consolidated. The establishing of limits is done by taking into account the capability of the Bank's capital in absorbing risk exposure or the actual loss, and the level of the Bank's exposure by taking into account past losses and human resources capabilities.

d. Internal Control System

The Bank's Internal Control System consists of five main elements that are interrelated i.e Management Supervision and Control Culture, Risk Identification and Assessment, Control Activities and Segregation of Functions, Accounting System, Information, and Communication, and Monitoring Activities and Deviation / Weakness Corrective Action.

The Board of Commissioners and Board of Directors are responsible for improving work ethics and integrity, and for nurturing an organization culture which emphasizes the importance of internal control applicable at the Bank, to all employees.

In addition, the existence of Internal Control System can be seen as a facility of the Management to carry out a custodian function over the Bank's assets and to ensure the availability of reliable financial and managerial reports, improve the Bank's compliance towards prevailing rules and regulations, and reduce the risk of loss, deviation, and violation of prudential principle.

The Bank has implemented Anti-Fraud strategy in line with the implementation of overall risk management.

The Bank continues to conduct research on fraud risk assessment methodologies that are suitable for the Bank. The Bank has also performed a Fraud risk assessment in which has identified scenarios and risk of fraud schemes that could potentially happen.

Bank juga terus mengevaluasi apakah kontrol telah berfungsi secara efektif dan telah memitigasi risiko fraud sebagaimana yang diharapkan.

Secara umum, penerapan manajemen risiko Bank telah berjalan dengan cukup baik dan akan terus menerus dikembangkan melalui penyempurnaan infrastruktur dan peningkatan efektivitas serta kualitas pelaksanaan fungsi manajemen risiko sejalan dengan ketentuan yang berlaku.

Bank juga mulai mempersiapkan implementasi manajemen risiko secara terintegrasi dalam konglomerasi keuangan pada grup Mizuho.

Penerapan manajemen risiko secara terintegrasi sebagaimana diatur dalam regulasi bertujuan mewujudkan stabilitas sistem keuangan yang tumbuh secara berkelanjutan, sehingga mampu meningkatkan daya saing nasional.

7. Penyediaan Dana Kepada Pihak Terkait dan Penyediaan Dana Besar

Sebagai bagian dari kelompok usaha finansial Jepang yang mempunyai jaringan usaha yang mendunia, dalam kegiatan usaha dan operasional sehari-hari Bank senantiasa melakukan hubungan dan transaksi dengan pihak ketiga, termasuk dengan pihak-pihak yang dikategorikan sebagai Pihak Terkait sebagaimana ditetapkan dalam Peraturan Bank Indonesia No.7/3/PBI/2005 yang sebagian telah diubah dengan Peraturan Bank Indonesia No. 8/13/PBI/2006 tentang Batas Maksimum Pemberian Kredit.

Transaksi dengan pihak-pihak yang dikategorikan sebagai Pihak Terkait dilaksanakan dengan syarat dan kondisi yang disetujui oleh Dewan Komisaris melalui *Blanket Approval*. Sedangkan transaksi terhadap pihak-pihak yang bukan Pihak Terkait dilaksanakan dengan syarat dan kondisi sesuai dengan ketentuan Bank Indonesia tentang Batas Maksimum Pemberian Kredit (BMPK).

Dengan menerapkan kebijakan usaha yang lebih fokus pada bidang usaha korporasi, tidak dapat dielakkan bahwa Bank terlibat dalam transaksi Penyediaan Dana kepada beberapa debitur/ kelompok debitur besar yang termasuk dalam kategori debitur inti Bank. Namun demikian, Bank senantiasa melakukan pemantauan diversifikasi portofolio Penyediaan

The Bank also has continuously evaluated whether control functions have been effective and whether it has mitigated fraud risks as intended.

In general, the implementation of the Bank's risk management has been running well and will continuously be developed through improvement of infrastructures and enhancement of effectiveness as well as quality of risk management function application according to the prevailing regulations.

Bank starting to prepare the implementation of integrated risk management in financial conglomerates of Mizuho group in Indonesia.

The implementation of integrated risk management as stipulated in the regulation aimed to build financial system stability that growing continuously, so as to improve national competitiveness.

7. Provision of Funds to Affiliated Parties and Provision of Large Funds

As part of a Japanese financial business group that is part of a global network, in its daily business and operational activities, the Bank is continuously engaged in transactions with third parties, including parties categorized as Affiliated Parties as stipulated in Bank Indonesia Regulation No. 7/3/PBI/2005 as partially amended by Bank Indonesia Regulation No. 8/13/PBI/2006 on Legal Lending Limit.

Transactions with parties categorized as Affiliated Parties are conducted with terms and conditions approved by the Board of Commissioners through Blanket Approval whereas transactions with Non-Affiliated Parties are conducted with terms and conditions in accordance with Bank Indonesia Regulation on Legal Lending Limit.

By applying business policies that are more heavily focused on corporate business, it is unavoidable that the Bank is involved in the provision of funds transactions with several large debtors / group of debtors categorized as the Bank's main debtors. However, the Bank constantly monitors the diversification of the provision of funds portfolio and improves efforts in

Dana dan peningkatan upaya agar penyebaran portofolio Penyediaan Dana tidak hanya terfokus kepada debitur inti Bank saat ini.

order that distribution of its Provision of Funds portfolio is not focused only on the Bank's current main debtors.

Rincian Penyediaan Dana kepada Pihak Terkait dan Penyediaan Dana Besar per tanggal 31 Desember 2015 adalah sebagai berikut:

Details of Provision of Funds to Affiliated Parties and Provision of Large Funds as per 31 December 2015 are as follows:

No.	Penyediaan Dana Provision of Fund	Jumlah (Transaksi Kredit) Amount (Credit Transaction)	
		Debitur Debtor	Nominal (Dalam Jutaan Rupiah / IDR in Millions)
1.	Kepada Pihak Terkait/ <i>To Affiliated Parties</i>	8	2,137,971
2.	Kepada Debitur Inti/ <i>To Main Debtors</i> • Individu/ <i>Individual</i> • Kelompok Usaha (Grup)/ <i>Business Group</i>	25	14,754,599
		-	-
		25	14,754,599

8. Rencana Strategis Bank

Bank telah menetapkan Visi dan Misi Bank telah menjadi dasar dan arahan atas penerapan strategi usaha dalam rencana jangka panjang (*Corporate Plan*) tahun 2013 – 2018.

8. The Bank's Strategic Plan

The Bank has formulated its Vision and Mission. These have become the foundation and guidelines for the application of business strategy in the Bank's long - term plan (*Corporate Plan*) for the years 2013 – 2018.

Penerapan strategi usaha dalam rencana jangka panjang Bank telah diwujudkan dalam rencana jangka menengah dan jangka pendek (*Rencana Bisnis Bank*) yang ditetapkan setiap awal tahun. Persiapan dan penetapan Rencana Bisnis Jangka Menengah Bank tahun 2015 - 2017 telah melalui proses telaah yang cukup mendalam dengan melibatkan seluruh jenjang organisasi dan telah mempertimbangkan faktor eksternal dan internal serta prinsip kehati-hatian.

The application of business strategy in the Bank's long term plan has been realized in its mid-term as well as short-term business plans (the Bank's Business Plan), which are established at the beginning of each year. The preparations and establishment of the Bank's mid-term Business Plan for the years 2015 - 2017 have gone through deep assessment process, involving all of the Bank's organization levels and have taken into consideration the external and internal factors, as well as, prudential principle.

Rencana Bisnis Bank tahun 2015 telah dipresentasikan oleh Direksi dan telah disetujui oleh Dewan Komisaris melalui Rapat Fisik pada tanggal 25 November 2014.

The Bank's 2015 Business Plan was presented by the Board of Directors and approved by the Board of Commissioners in a physical meeting dated 25 November 2014.

Realisasi Rencana Bisnis Bank tahun 2015 memperlihatkan bahwa pencapaian target finansial utama seperti realisasi penghimpunan dana dan realisasi penyaluran kredit berhasil dicapai.

The realization of the Bank's 2015 Business Plan showed that the main financial targets such as the realization of fund collecting and realization of loan distribution had been achieved.

Evaluasi terhadap pencapaian rencana strategis Bank telah dilakukan oleh Dewan Komisaris secara berkala dan hasil evaluasi tersebut telah tertuang dalam Laporan Pengawasan Dewan Komisaris yang disampaikan kepada Otoritas Jasa Keuangan masing-masing di bulan Agustus 2015 dan Februari 2016.

9. Transparansi kondisi keuangan dan non-keuangan Bank yang belum diungkap dalam laporan lainnya

Penyusunan dan penyajian informasi penting terkait dengan kondisi keuangan dan non-keuangan Bank telah dilakukan sesuai dengan prosedur, jenis, dan persyaratan sebagaimana ditetapkan dalam ketentuan Bank Indonesia dan/ atau Otoritas Jasa Keuangan yang berlaku.

Sampai dengan akhir tahun 2015 semua informasi penting terkait dengan kondisi keuangan dan non-keuangan Bank termasuk laporan pelaksanaan GCG tahun 2014, telah diungkap dan disajikan dalam laporan-laporan berkala yang juga telah disampaikan dan dipublikasikan secara tepat waktu sesuai dengan persyaratan ketentuan Bank Indonesia dan/ atau Otoritas Jasa Keuangan mengenai Transparansi Laporan Keuangan Bank.

Disamping itu, Bank juga telah mempublikasikan Laporan Tahunan dan Laporan Publikasi Triwulanan melalui surat kabar dan *website* Bank (www.mizuhobank.co.id) sehingga dapat diakses dan diketahui oleh umum dan para pemangku kepentingan Bank.

Pencapaian Bank pada tahun 2015 antara lain dengan mendapatkan penghargaan sebagai salah satu Bank Terbaik versi Majalah Investor pada Juni 2015 dengan kategori aset >IDR 25 triliun – IDR 100 triliun.

An evaluation over the achievement of the Bank's strategic plan has been carried out periodically by the Board of Commissioners and the evaluation results were documented in the Board of Commissioners Supervision Reports which were submitted to *Otoritas Jasa Keuangan* respectively in August 2015 and February 2016.

9. Transparency of the Bank's Financial and Non-financial Conditions not yet disclosed in other reports.

The preparation and presentation of important information relating to the Bank's financial and non-financial condition have been implemented in line with the procedures, types and requirements as stipulated in the prevailing Bank Indonesia and/ or *Otoritas Jasa Keuangan* regulations.

By the end of 2015, all important information relating to the Bank's financial and non-financial conditions, including GCG implementation report of 2014 had been disclosed and presented in periodical reports, which had also been submitted and published according to the requirements of Bank Indonesia and/ or *Otoritas Jasa Keuangan* regulation on the Transparency of the Bank's Financial Reports.

In addition, the Bank has also published its Annual Report and Quarterly Reports in the newspapers and on the Bank's website (www.mizuhobank.co.id) so that they may be accessible to and known by the public and the Bank's stakeholders.

Bank's achievement in 2015, among others is to honor the Award as one of the Best Bank by Investor Magazine in June 2015 with asset category >IDR 25 trillion – IDR 100 trillion.

B. Kepemilikan Saham Anggota Dewan Komisaris dan Direksi

Sampai dengan akhir tahun 2015, tidak ada anggota Dewan Komisaris dan Direksi yang memiliki saham Bank maupun bank lain baik di dalam negeri maupun di luar negeri.

Seluruh anggota Dewan Komisaris dan Direksi juga tidak memiliki saham Lembaga Keuangan Bukan Bank dan perusahaan lainnya yang mencapai 5% (lima perseratus) atau lebih dari modal disetor Lembaga Keuangan Bukan Bank maupun perusahaan baik di dalam negeri maupun di luar negeri.

C. Hubungan antara Anggota Dewan Komisaris, Direksi dan/atau Pemegang Saham

Dewan Komisaris dan Direksi memegang peranan strategis dan bertanggung jawab atas kelangsungan usaha dan kinerja Bank dengan berlandaskan pada Visi dan Misi Bank.

Sesuai dengan fungsinya masing-masing berdasarkan ketentuan Anggaran Dasar dan ketentuan yang berlaku, Dewan Komisaris dan Direksi menerapkan mekanisme hubungan konsultatif yang didasarkan pada prinsip-prinsip GCG.

Masing-masing anggota Dewan Komisaris dan Direksi tidak memiliki hubungan keuangan maupun hubungan keluarga satu sama lain dan demikian pula halnya dalam hubungannya dengan Pemegang Saham Pengendali.

Direktur Utama ditunjuk oleh Pemegang Saham Pengendali Bank (Mizuho Bank, Ltd / MHBK), namun yang bersangkutan telah melepaskan jabatan struktural pada Pemegang Saham Pengendali. Presiden Direktur dan anggota Direksi lainnya serta Dewan Komisaris melaksanakan tugas dan wewenangnya sebagaimana disebutkan dalam Anggaran Dasar dan RUPS serta menjalankan fungsinya secara profesional.

B. Share Ownership by Members of the Board of Commissioners and Board of Directors

Until the end of 2015, no member of the Board of Commissioners nor Board of Directors owned shares in the Bank nor in any other bank, both locally and overseas.

All members of the Board of Commissioners and Board of Directors do not own shares in non-banking financial institutions nor in other companies of up to 5% (five percent) or more from the paid-up capital of Non-Banking Financial Institutions or other companies, both locally and overseas.

C. Relationship between Members of the Board of Commissioners and Board of Directors and/or Shareholders

The Board of Commissioners and Board of Directors hold strategic roles and are responsible for the continuity of the Bank's business and performance based on the established Vision and Mission.

In accordance with each respective function based on the Articles of Association and prevailing regulations, the Board of Commissioners and Board of Directors apply a consultative relationship mechanism based on GCG principles.

Each member of the Board of Commissioners and Board of Directors does not have a financial relationship or family ties with one another or with the Controlling Shareholder.

The President Director was appointed by the Controlling Shareholder (Mizuho Bank, Ltd/ MHBK), but he has released his structural position in the Controlling Shareholder. The President Director, and other members of Board of Directors as well as members of the Board of Commissioners carry out their duties and responsibilities as stipulated in the Articles of Association and GMS and implement their functions professionally.

D. Paket/ kebijakan Remunerasi dan Fasilitas Lain Anggota Dewan Komisaris dan Direksi

1. Jenis Remunerasi dan Fasilitas Lain Anggota Dewan Komisaris dan Direksi:

D. Package/ Remuneration Policy and Other Benefits for Members of the Board of Commissioners and Board of Directors

1. The types of Remuneration and Other Facilities for Members of the Board of Commissioners and Board of Directors are as follows:

Jenis Remunerasi dan Fasilitas Lain Anggota Dewan Komisaris dan Direksi Tahun 2015
(Types of Remuneration and Other Facilities for Members of the Board of Commissioners & Board of Directors in the Year 2015)

Jenis Remunerasi dan Fasilitas Lain <i>Types of Remuneration and Other Facilities</i>		Jumlah Diterima dalam 1 Tahun <i>Amount received in 1 Year</i>			
		Dewan Komisaris/ Board of Commissioners		Direksi/ Board of Directors	
		Orang/ Person	Rupiah IDR	Orang/ Person	Rupiah IDR
1	Remunerasi (gaji, bonus, tunjangan rutin, tantiem, dan fasilitas lainnya dalam bentuk non-natura) <i>Remuneration (salary, bonuses, regular allowance, tantiem and other facility in the form of non-benefit in kind)</i>	2	1,159,242,950**	7	17,987,556,826**
2	Fasilitas lain dalam bentuk natura (perumahan, transportasi, asuransi kesehatan dan sebagainya) yang*: a. dapat dimiliki b. tidak dapat dimiliki <i>Other facilities in the form of benefit in kind (housing, transport, health insurance, etc.) which*: a. can be owned b. can not be owned</i>	-	-	-	-
Total			1,159,242,950		17,987,556,826

* Dinilai dalam ekuivalen Rupiah (*valued in Rupiah*)

** Jumlah yang diterima belum dipotong pajak/*Amount received before tax*

2. Jumlah Paket Remunerasi Anggota Dewan Komisaris dan Direksi Dalam Kisaran Tingkat Penghasilan:

2. Total amount of Remuneration Package for Members of the Board of Commissioners and Board of Directors in Range of Income Levels:

Jumlah Remunerasi Per-orang dalam 1/ Tahun* Amount of Remuneration per-person in 1 Year*	Jumlah Direksi/ Total Members of the Board of Directors	Jumlah Komisaris/ Total Members of the Board of Commissioners
Di atas Rp.2 miliar/ Above IDR 2 Billion	6	0
Di atas Rp.1 miliar s/d Rp.2 miliar/ Above IDR 1 Billion up to IDR 2 Billion	1	0
Diatas Rp. 500 juta s/d Rp.1 miliar/ Above IDR 500 Million up to 1 Billion	0	2
Rp. 500 juta ke bawah Below IDR 500 Million	0	0

* yang diterima secara tunai (*received in cash*)

E. Shares Option yang Dimiliki oleh Anggota Dewan Komisaris, Direksi dan Pejabat Eksekutif

Sampai dengan akhir tahun 2015, Bank tidak memiliki kebijakan mengenai pemberian opsi untuk membeli saham Bank melalui mekanisme apapun sebagai pemberian kompensasi kepada anggota Dewan komisaris, Direksi dan Pejabat Eksekutif Bank.

Dengan demikian, selama tahun 2015 tidak ada pemberian dan/ atau kepemilikan *share option* oleh anggota Dewan Komisaris, Direksi dan Pejabat Eksekutif Bank.

E. Shares Options held by Members of the Board of Commissioners, Board of Directors and Executive Officials

Up to the end of 2015, the Bank did not have a policy on the granting of options to buy the Bank's shares through any mechanism whatsoever as compensation to members of the Board of Commissioners, Board of Directors, and Executive Officials.

Thus, in 2015 there was no distribution and/ or ownership of share option by members of the Board of Commissioners, Board of Directors, and Executive Officials.

F. Rasio Gaji Tertinggi dan Terendah

Sampai akhir tahun 2015, rasio perbandingan gaji tertinggi dan terendah anggota Dewan Komisaris, Direksi dan Karyawan Perbulan adalah sebagai berikut:

F. Highest and Lowest Salary Ratio

Up to the end of 2015, the comparison of the highest and lowest monthly salaries of members of the Board of Commissioners, Board of Directors, and employees are as follows:

Rasio Gaji Tertinggi dan Terendah Tahun 2015 (Highest and Lowest Salary Ratio year 2015)

No.	Perbandingan/ Comparison	Rasio/ Ratio*
1	Gaji karyawan tertinggi dan terendah/ <i>Highest salary against Lowest salaries of employees</i>	27 Kali/Times
2	Gaji anggota Direksi tertinggi dan terendah/ <i>Highest against Lowest salaries of members of the Board of Directors</i>	2,82 Kali/Times
3	Anggota Dewan Komisaris tertinggi dan terendah/ <i>Highest against lowest salaries of members of the Board of Commissioners</i>	1,25 Kali/Times
4	Anggota Direksi tertinggi dan karyawan tertinggi/ <i>Highest salary of members Board of Directors against Highest salary of Employee</i>	1.87 Kali/Times

* perbulan/ per month

G. Internal Fraud

Sesuai Surat Edaran Bank Indonesia tentang Pelaksanaan *Good Corporate Governance* bagi Bank Umum, *Internal fraud* didefinisikan sebagai penyimpangan / kecurangan yang dilakukan oleh pengurus dan/atau pegawai terkait dengan proses kerja dan kegiatan operasional Bank yang mempengaruhi kondisi keuangan Bank secara signifikan.

Sebagai panduan internal bagi pejabat dan pegawai dalam menentukan signifikansi pengaruh penyimpangan/kecurangan terhadap kondisi keuangan Bank, telah ditetapkan kriteria dan faktor kuantitatif dan kualitatif, sebagai berikut:

- (1) Kejadian fraud dengan/ tanpa kerugian finansial, akan tetapi memiliki dampak yang besar untuk Bank, antara lain;

G. Internal Fraud

In accordance with Bank Indonesia Circular Letter regarding the Implementation of *Good Corporate Governance* for Commercial Banks, *Internal fraud* is defined as deviation / deceit committed by Management and/or employees relating to working process and operational activities of the Bank which significantly affects the Bank's financial conditions.

As internal guidelines for officials and employees in determining the significance of the effect of deviation / fraud on the Bank's financial condition, criteria and quantitative and qualitative factors have been set as follows :

- (1) Fraud with/ without financial loss, but having big impact on the Bank, among others; collusion between the

kolusi antara pihak internal Bank dengan pihak eksternal, atau pelaku adalah anggota Direksi, atau korban dari fraud adalah nasabah Bank.

(2) Kejadian fraud dengan kerugian finansial yang setara atau lebih dari IDR100 juta.

Sejalan dengan semangat penerapan GCG, Bank telah memiliki Pedoman Kepatuhan yang didalamnya juga telah memuat Pedoman Perilaku (*Code of Conduct*) yang menjadi pedoman standar bagi anggota Direksi dan seluruh karyawan dalam menjalankan tugas dan tanggungjawab yang diemban sesuai dengan nilai-nilai bisnis yang etis.

Pedoman Perilaku tersebut diberlakukan diseluruh kantor kelompok usaha *Mizuho Financial Group* di seluruh dunia dan secara berkala dikaji ulang untuk disesuaikan dengan kondisi dan perkembangan aspek-aspek kepatuhan serta kepatutan lainnya yang berlaku serta disosialisasikan kepada anggota Direksi dan seluruh karyawan secara berkala.

Sampai saat ini tidak ada penyimpangan maupun kecurangan internal (*internal fraud*) yang dilakukan baik oleh anggota Direksi dan karyawan terkait dengan proses kerja dan kegiatan operasional yang mempengaruhi kondisi keuangan Bank.

Bank's internal and external parties, or the perpetrator is a member of the Board of Directors, or victim of the fraud is a Bank's customer.

(2) Fraud with financial loss equals to or exceeding IDR100 million.

In line with the spirit of GCG implementation, the Bank has established a Compliance Manual that contains the *Code of Conduct* which serves as the standard guideline for members of the Board of Directors and all employees in carrying out their duties and responsibilities according to ethical business values.

The Code of Conduct is applied to all offices of the business group of Mizuho Financial Group globally and is re-assessed periodically and adjusted according to the conditions and developments of other prevailing compliance and appropriateness aspects and communicated to members of the Board of Directors and all employees.

To date, there has been no violation nor incidence of internal fraud committed by a member of the Board of Directors nor employee, relating to working processes and operational activities that may influence the Bank's financial condition.

**Penyimpangan Internal (Internal Fraud)
Tahun 2015 / Year 2015**

Internal Fraud dalam 1 tahun / Internal Fraud within 1 year	Jumlah kasus yang dilakukan oleh / Total Number of Cases performed by					
	Pengurus / Management		Pegawai tetap / Permanent Employee		Pegawai tidak tetap / Temporary Employee	
	Tahun Sebelumnya/ Previous Year	Tahun Berjalan/ Current Year	Tahun Sebelumnya / Previous Year	Tahun Berjalan/ Current Year	Tahun Sebelumnya/ Previous Year	Tahun Berjalan/ Current Year
Total Fraud	NIL	NIL	NIL	NIL	NIL	NIL
Telah Diselesaikan / Settled						
Dalam proses penyelesaian di internal Bank / In the process of settlement internally by the Bank	NA	NA	NA	NA	NA	NA
Belum diupayakan penyelesaiannya / No Settlement has been started	NA	NA	NA	NA	NA	NA
Telah ditindaklanjuti melalui proses hukum / Followed up through legal process		NA		NA		NA

H. Permasalahan Hukum dan Upaya Penyelesaian

Sampai dengan akhir tahun 2015, jumlah permasalahan hukum yang melibatkan Bank sebagai Tergugat maupun permasalahan hukum yang dihadapi oleh Bank selaku Penggugat/Pemohon adalah sebagai berikut:

Bank Sebagai Tergugat/ Bank as the Defendant

Permasalahan Hukum / Legal Cases	Jumlah/Total *	
	Perdata/Civil	Pidana/Criminal
Telah selesai (telah mempunyai kekuatan hukum tetap)/ <i>Settled (has acquired the court's final decision)</i>	-	-
Dalam Proses Penyelesaian/ <i>In the process of settlement</i>	2	-

Bank Sebagai Penggugat/Pemohon/ Bank as the Plaintiff

Permasalahan Hukum/ Legal Cases	Jumlah/Total	
	Perdata/Civil	Pidana/Criminal
Telah selesai (telah mempunyai kekuatan hukum tetap)/ <i>Settled (has acquired the court's final decision)</i>	-	-
Dalam Proses Penyelesaian / <i>In the process of settlement</i>	-	-

* Perkara terkait dengan pemberian kredit/ *Lawsuit in relation to the granting of credit*

H. Legal Cases and Settlements

Up to the end of 2015, the total number of legal cases which involved the Bank as the defendant or plaintiff is as follows:

I. Transaksi yang Mengandung Benturan Kepentingan

Kebijakan umum mengenai benturan kepentingan telah ditetapkan sebagai bagian dari Pedoman Perilaku (*Code of Conduct*) yang termasuk dalam Pedoman Kepatuhan Bank yang berlaku bagi semua anggota Direksi dan karyawan.

Disamping itu, *Board Manual* yang merupakan pedoman tata tertib kerja dan pelaksanaan tugas anggota Dewan Komisaris dan Direksi telah memasukan aturan mengenai penanganan dan pengungkapan benturan kepentingan dalam proses pengambilan keputusan di tingkat Dewan Komisaris dan Direksi.

I. Transactions with Conflicts of Interests

The Bank's general policies regarding conflicts of interests has been established as part of Code of Conduct, which is part of the Compliance Manual, applicable to all members of the Board of Directors and employees.

In addition, the Board Manual as guidelines for work regulation and implementation of duties of members of the Board of Commissioners and Board of Directors, has included stipulation regarding the handling and disclosure of Conflicts of Interests in the process of decision-making at the level of the Board of Commissioners and Board of Directors.

Selama tahun 2015 tidak ada transaksi yang melibatkan benturan kepentingan atau mengandung benturan kepentingan baik dalam proses pengambilan keputusan di tingkat Dewan Komisaris dan Direksi maupun dalam aktivitas operasional Bank sehari-hari oleh pejabat-pejabat Bank lainnya.

J. Buy Back Shares dan/atau Buy Back Obligasi Bank

Sejak didirikan sampai dengan akhir tahun 2015, Bank belum pernah mengambil kebijakan untuk melakukan pengurangan modal dengan cara membeli kembali saham yang telah diterbitkan maupun melakukan penerbitan obligasi.

K. Tanggung Jawab Sosial Bank

Sebagai lembaga yang bergerak dibidang jasa keuangan, disamping berupaya untuk memperoleh dan mempertahankan kepercayaan dari nasabah dan masyarakat melalui pengelolaan Bank yang sehat dan benar, sesuai dengan semangat GCG, Bank juga berupaya untuk memenuhi tanggung jawab sosial (*Corporate Social Responsibilities / CSR*) dan kontribusi kepada masyarakat sebagai warga perusahaan (*corporate citizen*) yang baik.

Wujud tanggung jawab sosial dan misi kemasyarakatan Bank selama tahun 2015 antara lain telah diwujudkan dalam bentuk aktivitas sponsor untuk Kompetisi Ekonomi ke-17 tahun 2015 bekerja sama dengan Fakultas Ekonomi dan Bisnis, Universitas Indonesia.

Disamping itu, selama tahun 2015, pada tanggal 2 Maret 2015 dan 1 Oktober 2015, Bank telah bekerja sama dengan Palang Merah Indonesia untuk menyelenggarakan donor darah.

Selama tahun 2015 Bank juga ikut berpartisipasi dalam program edukasi masyarakat di bidang perbankan yang dicanangkan oleh Bank Indonesia sejak awal tahun 2008.

During 2015, there were no transactions that involved conflicts of interests in the decision-making process of the Board of Commissioners, the Board of Directors, nor in the Bank's daily operational activities by other officials.

J. Buy Back Shares and/or Buy Back of Bonds

Since its establishment up to the end of 2015, the Bank has never adopted a policy to reduce capital by conducting a buy back of shares or issuance of bonds.

K. The Bank's Corporate Social Responsibilities

As a financial services institution, in endeavoring to gain and maintain the trust of its customers and the society through sound and proper management in line with GCG spirit, as a good corporate citizen the Bank also endeavored to fulfill its Corporate Social Responsibilities (CSR) and contributes to society as a good corporate citizen.

A form of social responsibility and civic mission of the Bank during the year 2015, among others, has been realized in the form of sponsorship for Economic Competition 17th 2015 In cooperation with Faculty Economics and Business, Universitas Indonesia.

In addition, during the year 2015, in 2 March 2015 and 1 October 2015, Bank has cooperated with Indonesian Red Cross to held blood donor activities.

During the year 2015, Bank also participated in the public banking education program, launched by Bank Indonesia since the beginning of 2008.

Bentuk partisipasi Bank dalam program tersebut dilaksanakan dalam bentuk Program Edukasi Perbankan yang diselenggarakan di SDN Kampung Bali 07 Pagi Jakarta dan Universitas Negeri Jakarta.

Program tersebut bertujuan untuk meningkatkan pengetahuan dan kepedulian siswa terhadap lembaga perbankan, produk dan layanan perbankan.

Disamping pelaksanaan program edukasi perbankan tersebut, Bank juga memberikan sumbangan buku yang terkait dengan bidang keuangan dan perbankan bagi perpustakaan sekolah dan universitas.

The form of the Bank's participation in the program was conducted in the form of Banking Education Program which was held in SDN Kampung Bali 07 Pagi Jakarta and Universitas Negeri Jakarta.

The program is intended to increase the knowledge and awareness of students towards banking institution, products and services.

In addition to the implementation of banking education program, the Bank also donated books related to finance and banking to the school and university library.

**Pemberian Dana Untuk Aktivitas Sosial Bank Tahun 2015/
Donation for the Bank's Social Activities in the year 2015**

Tanggal/ Date	Jenis Aktivitas/ Type of Activities	Rupiah/ Jumlah Rupiah/ Amount	Catatan/ Remarks
9 – 12 Februari/ February 2015	Sponsor untuk Kompetisi Ekonomi ke 17 tahun 2015 <i>Sponsorship for Economic Competition ("KomPek") 17th 2015</i>	56,925,100	Bekerja sama dengan Fakultas Ekonomi dan Bisnis Universitas Indonesia/ <i>In cooperation with Faculty Economics and Business, Universitas Indonesia (FEBUI)</i>
2 Maret/March 2015	Donor Darah <i>Blood Donor Activity</i>	3,388,000	Palang Merah Indonesia/Red Cross Indonesia ("PMI")
8 April 2015	Program Edukasi Perbankan yang diselenggarakan di SDN Kampung Bali 07 Pagi. Peserta adalah siswa di kelas 4 dan 5. Dalam program ini, disajikan materi yang mengandung literasi keuangan, terutama pengenalan terhadap Otoritas Jasa Keuangan, Bank Indonesia dan Produk Perbankan <i>Banking Education Program which was held in SDN Kampung Bali 07 Pagi. Participants were the students in 4th and 5th grades. In this program, presented material contain of Financial Literation, especially introduction of Otoritas Jasa Keuangan, Bank Indonesia and Banking Product</i>	49,450,000	Bekerja sama dengan <i>In cooperation with SDN Kampung Bali 07 Pagi</i>

9 September 2015	Donasi kursi kantor untuk NGO Obor Berkat Indonesia (OBI) dan Donasi buku untuk siswa kelas 4 <i>Donation of Office Chairs to NGO Obor Berkat Indonesia ("OBI") and Donation Student Book for 4th Grade</i>	1,300,000	Total 50 kursi/chairs
1 Oktober/ October 2015	Donor Darah <i>Blood Donor Activity</i>	4,898,000	Palang Merah Indonesia/Red Cross Indonesia ("PMI")
17 Oktober / October 2015	Hari Sukarelawan Mizuho ("MVD") – Kesehatan lingkungan di Muara Angke, Jakarta (area nelayan) dalam bentuk penanaman pohon bakau, edukasi mengenai pohon bakau kepada anak2, pelepasan ikan dan burung untuk menjaga ekosistem. <i>Mizuho Volunteer Day ("MVD") – Healthier environment at Muara Angke, Jakarta (Fisherman area) in the form of planting mangrove trees, giving mangrove education to children, releasing fish and birds to preserve the ecosystem.</i>	187,896,206	Berkolaborasi dengan / <i>In collaboration with Green Safe Indonesia ("GSI")</i>
27 Oktober/ October 2015	Program Edukasi Perbankan Semester 2 tahun 2015 yang diselenggarakan di Universitas Negeri Jakarta bekerjasama dengan Pelatihan Perencanaan Keuangan Masyarakat (PPKM) Indonesia <i>Banking Education Program 2nd Semester 2015 which was held in Universitas Negeri Jakarta in collaboration with Pelatihan Perencanaan Keuangan Masyarakat (PPKM) Indonesia.</i>	69,760,204	Berkolaborasi dengan / <i>In collaboration with Pelatihan Perencanaan Keuangan Masyarakat (PPKM) Indonesia</i>
Total		373,617,510	

L. Konglomerasi Keuangan

1. Struktur Konglomerasi Keuangan dan Struktur Kepemilikan Saham

Dalam rangka mendukung pengawasan terintegrasi berdasarkan risiko, Bank dalam konteks Konglomerasi Keuangan wajib menerapkan Tata Kelola Terintegrasi sesuai dengan Peraturan Otoritas Jasa Keuangan (POJK) No. 18/POJK.03/2014 tentang Penerapan Tata kelola terintegrasi bagi Konglomerasi Keuangan.

L. Financial Conglomerates

1. Conglomerates Structure and Structure of Share Holder

In order to support an integrated risk-based supervision, Bank in the context of the financial conglomeration shall apply Integrated Governance in accordance with the Regulation of Otoritas Jasa Keuangan (POJK) No.18/POJK.03/2014 regarding the Implementation of Integrated Governance in Financial conglomeration.

PT Bank Mizuho Indonesia (“Bank”) dan PT Mizuho Balimor Finance (MBF) keduanya dipisahkan secara kelembagaan dan/ atau secara hukum, namun dimiliki dan/atau dikendalikan oleh pemegang saham pengendali yang sama yaitu Mizuho Bank, Ltd.

Berdasarkan Anggaran Dasar Perusahaan Bank dan Mizuho Balimor Finance, Mizuho Bank, Ltd merupakan pemegang saham mayoritas kedua perusahaan, sehingga keduanya menjadi anggota konglomerasi keuangan yang dikategorikan sebagai perusahaan terafiliasi (*sister company*) dan tidak memiliki anak perusahaan.

Sesuai dengan laporan kepada OJK melalui surat BMI No. Ref. 020 / COM/III/2015 tanggal 30 Maret 2015 perihal Penyampaian Laporan tentang Pengangkatan Entitas Utama dan Anggota Keuangan konglomerasi PT Bank Mizuho Indonesia, dijelaskan bahwa Mizuho Bank, Ltd sebagai pemegang saham pengendali telah menunjuk Entitas Utama dan Anggota dari Konglomerasi Keuangan Mizuho di Indonesia dengan rincian sebagai berikut:

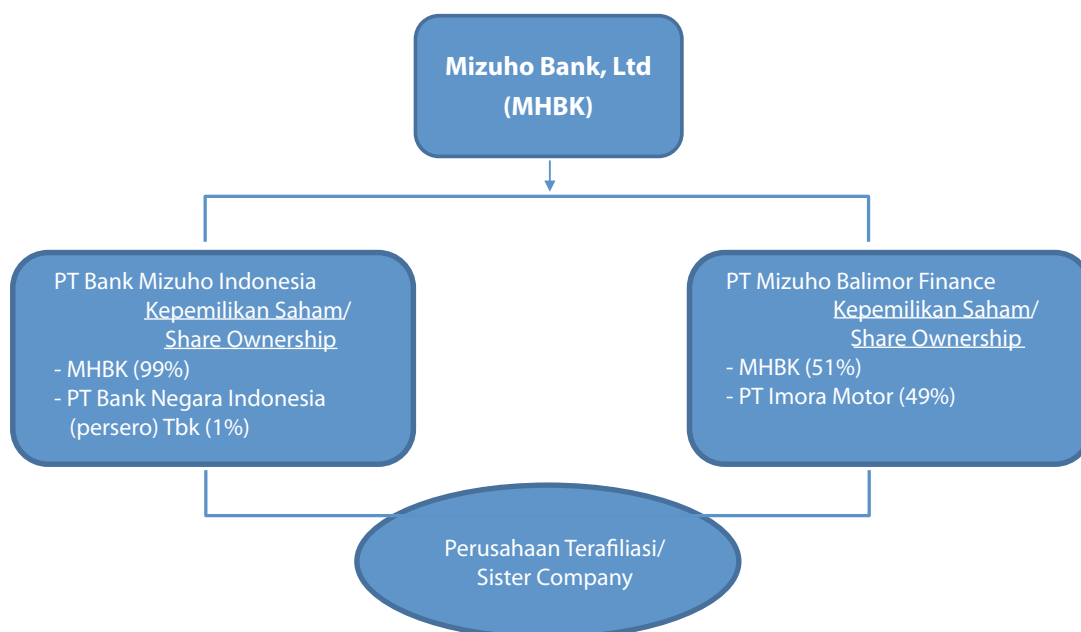
1. PT Bank Mizuho Indonesia (BMI) - Main Entity (Bank).
2. PT Mizuho Balimor Finance (MBF) - Anggota (Perusahaan Pembiayaan).

PT Bank Mizuho Indonesia (“Bank”) and PT Mizuho Balimor Finance (MBF) both are institutionally and/or legally separated but owned and/or controlled by the same controlling shareholder i.e Mizuho Bank, Ltd.

Based on the Articles of Association of BMI and Mizuho Balimor Finance, Mizuho Bank, Ltd is holding the majority shares of both companies, thus both companies become a financial conglomerate which is categorized as affiliated company (*sister company*) with no subsidiaries.

In accordance with report to OJK through BMI letter No. Ref. 020/COM/III/2015 dated 30 March 2015 regarding Submission of Report on the Appointment of Main Entity and Member of Financial Conglomeration of PT Bank Mizuho Indonesia, it is explained that Mizuho Bank, Ltd as the controlling shareholder has appointed Main Entity and Member of Mizuho Financial Conglomeration in Indonesia with the following detail:

1. PT Bank Mizuho Indonesia (BMI) - Main Entity (Bank).
2. PT Mizuho Balimor Finance (MBF) - Member (Finance Company).



2. Struktur Kepengurusan pada Entitas Utama dan Lembaga Jasa Keuangan (LJK) dalam Konglomerasi keuangan

Berdasarkan penunjukkan dari Mizuho Bank, Ltd selaku pemegang saham pengendali, Bank menjadi Entitas Utama dalam konglomerasi keuangan dan Mizuho Balimor Finance sebagai anggota.

Dalam menerapkan Tata Kelola Terintegrasi Bank selaku Entitas Utama telah menunjuk Direktur Utama dari Entitas Utama sebagai Direktur yang melakukan fungsi pengawasan pada Entitas Utama dan Anggota Konglomerasi Keuangan dan Direktur Kepatuhan Entitas Utama sebagai Direktur yang bertanggung jawab atas fungsi kepatuhan Entitas Utama dan penerapan Tata Kelola Terintegrasi dalam Konglomerasi Keuangan.

Selain Direksi Entitas Utama, Bank juga telah menunjuk Dewan Komisaris Entitas Utama yang bertanggung jawab untuk mengawasi penerapan Tata Kelola pada masing-masing anggota konglomerasi keuangan dan tanggung jawab Direksi Entitas Utama, serta memberikan arahan atau nasihat kepada Direksi Entitas Utama atas pelaksanaan Pedoman Tata Kelola Terintegrasi.

Dalam melaksanakan tugasnya Dewan Komisaris wajib membentuk Komite Tata Kelola Terintegrasi.

Bank selaku Entitas Utama telah membentuk Komite Tata Kelola Terintegrasi yang bertanggung jawab untuk mengevaluasi pelaksanaan dan penyempurnaan atas penerapan Tata Kelola Terintegrasi dalam Konglomerasi Keuangan. Serta, Bank telah menunjuk Ketua Komite Tata Kelola Terintegrasi (merangkap anggota) yaitu Komisaris Independen yang menjadi Ketua pada salah satu Komite pada Entitas Utama.

Anggota Komite Tata Kelola Terintegrasi Bank terdiri atas:

- a. Komisaris Independen yang mewakili dan ditunjuk dari anggota konglomerasi keuangan yang menjadi anggota Komite Tata Kelola Terintegrasi; serta
- b. Pihak Independen, yang berasal dari pihak independen anggota Komite yang ada di Bank selaku Entitas Utama.

2. Management Structure in Main Entity and Financial Services Institution (FSI) in Financial Conglomeration

Based on the appointment from Mizuho Bank, Ltd as controlling shareholder, Bank is the Main Entity and Mizuho Balimor Finance is the member in the financial conglomeration.

In the implementation of Integrated Governance Practices, Bank as Main Entity has appointed President Director of Main Entity as Director who perform supervision function of Main Entity and member of Financial Conglomerate and Compliance Director of Main Entity as Director who is responsible for the Compliance function in Main Entity and implementation of Integrated Governance Practices in Financial Conglomeration.

Other than Board of Directors of Main Entity, Bank has also appointed Board of Commissioners of Main Entity of which responsible to conduct supervision of the implementation of governance on each members of financial conglomeration and responsibility of Board of Director as well as to provide guidance or advice to Board of Director Main Entity in the implementation of Integrated Governance Guidelines.

In performing its duties, Board of Commissioners shall establish Integrated Governance Committee.

Bank as Main Entity has established the Integrated Governance Committee of which responsible to evaluate the implementation and improvement the Integrated Governance Practices within Financial Conglomeration. Also, Bank has appointed the Integrated Governance Committee Chairman (as well as member) i.e Independent Commissioner who is the Chairman of Committee of main Entity.

Members of Integrated Governance Committee consists of:

- a. Independent Commissioner who represents and appointed from the member of financial conglomeration who is the member of the Integrated Governance Committee; and
- b. Independent Party, which coming from independent party of committee members within Bank as Main Entity.

Dalam pelaksanaan tugasnya, Bank selaku Entitas Utama telah menunjuk Satuan Kerja Kepatuhan dan Satuan Kerja Audit Entitas Utama sebagai Satuan Kerja yang melaksanakan fungsi dari Satuan Kerja Kepatuhan Terintegrasi dan Satuan Kerja Audit Internal Terintegrasi.

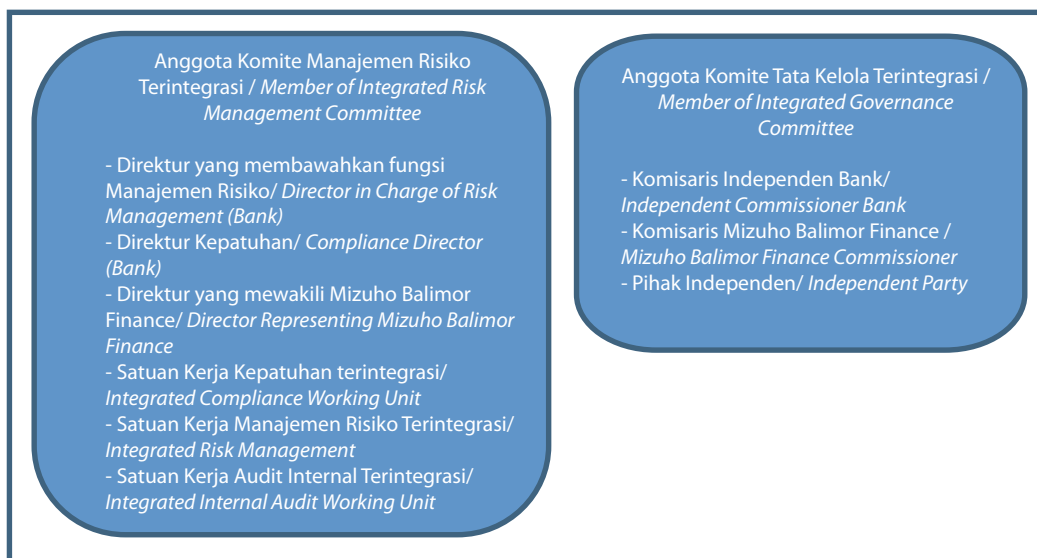
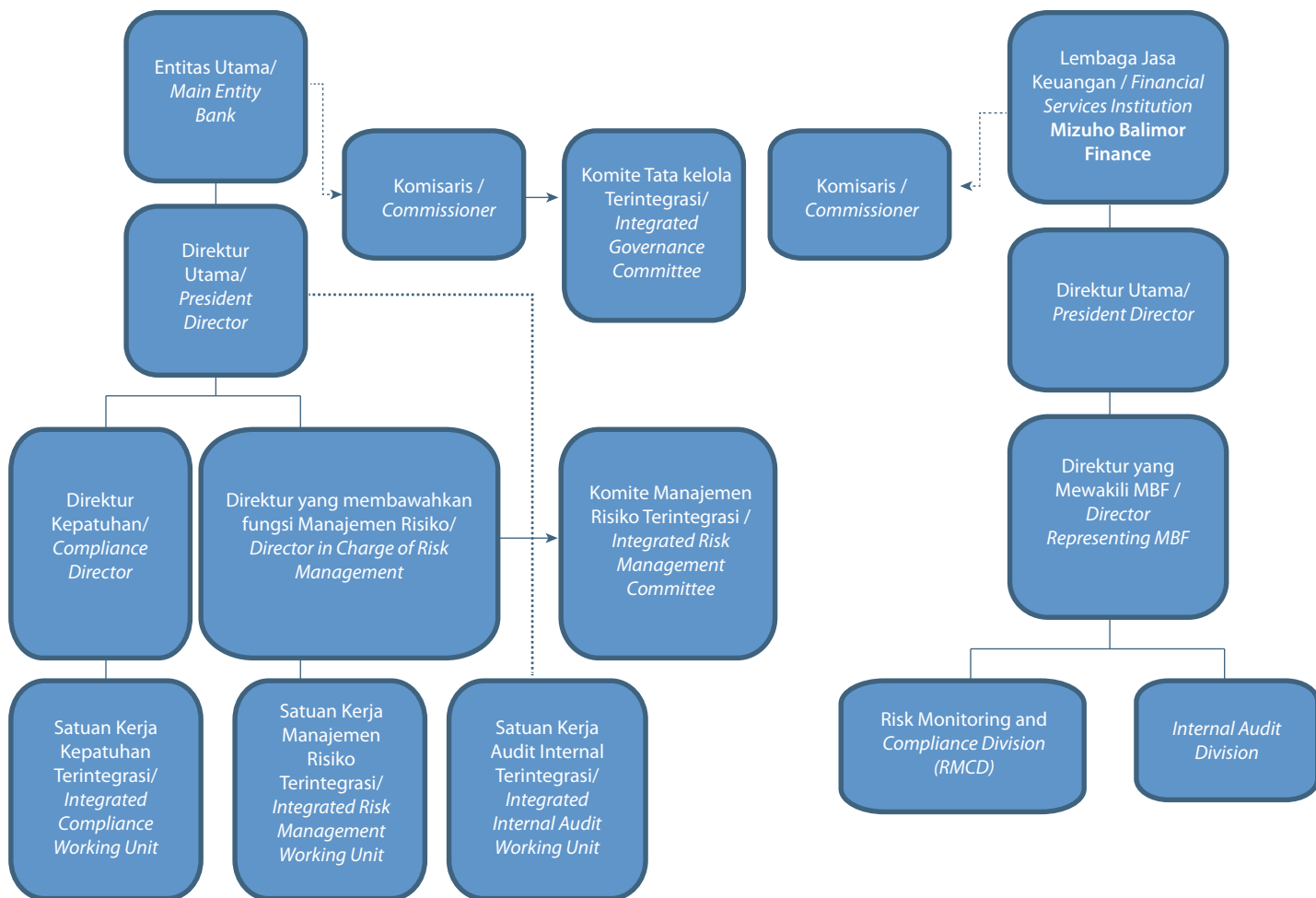
Bank juga telah mempersiapkan penyusunan pedoman dalam Tata Kelola Terintegrasi yang mencakup, antara lain Kerangka Tata Kelola Terintegrasi Bagi Bank selaku Entitas Utama dan Kerangka Tata Kelola bagi Mizuho Balimor Finance selaku anggota dalam Konglomerasi Keuangan.

Penilaian pelaksanaan Tata Kelola Terintegrasi didasarkan atas hasil penilaian sendiri (*self assessment*) telah dilaksanakan untuk pertama kalinya untuk posisi akhir bulan Desember dan telah disampaikan kepada OJK, dengan hasil penilaian 2 (dua) atau setara dengan peringkat **“Baik”**.

In performing its duties, Bank as Main Entity has appointed Compliance Working Unit and Internal Audit Working Unit as Working Unit which carry out the function of Integrated Compliance Working Unit and Integrated Internal Audit Working Unit.

Bank has also prepared the established of the Guidelines on Integrated Governance Practices which include, among others Integrated Governance Framework for Bank as Main Entity and Integrated Governance Framework for PT Mizuho Balimor Finance as member of Financial Conglomeration.

The assessment of Integrated Governance was based on the self-assessment result has also been conducted for the first time for position as of end of December and been submitted to OJK with assessment result 2 (two) or equivalent to predicate **“Good”**.



3. Kebijakan Transaksi Intra-Group

Bank selaku Entitas Utama telah menerapkan kebijakan transaksi intra-group yang tertuang dalam Kebijakan Manajemen Risiko Terintegrasi.

Risiko transaksi intra-group merupakan risiko yang akan/dapat timbul sebagai akibat ketergantungan suatu entitas baik secara langsung maupun tidak langsung terhadap entitas lainnya dalam satu konglomerasi keuangan dalam rangka pemenuhan kewajiban perjanjian tertulis maupun perjanjian tidak tertulis yang diikuti perpindahan dana dan/ atau tidak diikuti perpindahan dana.

1. Identifikasi Risiko

Konglomerasi keuangan harus menggunakan berbagai sumber informasi untuk mengidentifikasi risiko transaksi intra-grup, antara lain neraca, daftar eksposur pihak terafiliasi dan laporan lainnya.

2. Pengukuran Risiko

Konglomerasi keuangan harus menghitung signifikansi dari transaksi intra-grup melalui parameter dibawah ini:

- Ketergantungan dari transaksi intra-grup antar anggota dalam konglomerasi keuangan.
- Dampak dari transaksi intra-grup terhadap kinerja keuangan dari anggota konglomerasi keuangan.
- Patuh terhadap Arm's length principle (prinsip kesetaraan) dalam melakukan transaksi intra-grup.
- Materialitas dari transaksi intra-grup yang berdampak terhadap kondisi konglomerasi keuangan.
- Eksposur dengan pemegang saham pengendali

3. Pemantauan Risiko dan Pengendalian Risiko

- Konglomerasi keuangan harus memonitor risiko transaksi intra-grup secara berkesinambungan sesuai dengan riwayat dan /atau potensi risiko transaksi intra-grup.
- Konglomerasi keuangan harus mengambil tindakan

3. Intra-Group Transaction Policy

Bank as the Main Entity have implemented the intra-group transactions policy as stipulated in the Integrated Risk Management Policy.

Intra-group transaction risk is the risk that will or may occur due to the dependency of an entity either directly or indirectly to other entities in one financial conglomeration, in order to fulfill the obligations of a written or unwritten agreement either followed by transfer of funds or not.

1. Risk Identification

Financial Conglomerates shall use various sources of information to identify intra group transaction risk, among others balance sheet, list of affiliated party exposure list, and other reports.

2. Risk Measurement

Financial Conglomeration shall measure the significance of intra group transaction through the following parameters:

- Dependency of intra group transaction within the member of Financial Conglomeration.
- Impact of intra group transaction to financial performance of the member of Financial Conglomeration.
- Compliance with to Arm's length principle in conducting intra group transaction.
- The materiality of intra group transaction which give impact to the condition of Financial Conglomeration.
- Exposure with controlling shareholders

3. Risk Monitoring and Risk Controlling

- Financial Conglomeration shall monitor intra group transaction risk on a regular basis in accordance with historical and/or potential intra group transaction risk.
- Financial Conglomerates shall take immediate action to

segera to memperbaiki semua transaksi intra-grup yang memiliki dampak terhadap anggota konglomerasi keuangan.

4. Sistem Informasi Manajemen untuk Risiko Reputasi
Sistem informasi manajemen harus menyediakan laporan eksposur risiko transaksi intra-grup secara lengkap, akurat dan tepat waktu untuk membantu proses pengambilan keputusan oleh BOD di masing-masing entitas.

Transaksi intra grup dapat terjadi dalam konglomerasi keuangan dalam bentuk yang beragam seperti yang ditunjukkan dibawah ini:

- a. Kepemilikan silang antar LJK dalam konglomerasi keuangan.
- b. Manajemen sentralisasi untuk kebutuhan likuiditas jangka pendek dalam konglomerasi keuangan.
- c. Jaminan, pinjaman, komitmen yang diterima atau yang ditawarkan oleh entitas lain dalam satu grup.
- d. Eksposur kepada pemegang saham pengendali dan eksposur pada *off balance* seperti garansi dan komitmen.
- e. Pembelian dan penjualan asset dari dan kepada entitas lain dalam satu grup.
- f. Pengalihan risiko melalui re-asuransi.
- g. Transaksi untuk melakukan transfer eksposur risiko yang berkaitan dengan pihak ketiga diantara entitas dalam satu grup.

M. Kesimpulan Umum Hasil Self Assessment Pelaksanaan Good Corporate Governance Bank

Bank telah melakukan *self-assessment* pelaksanaan *Good Corporate Governance* periode tahun 2015 sesuai dengan format standar yang telah ditetapkan oleh Bank Indonesia.

Berdasarkan hasil *self-assessment Good Corporate Governance* Bank untuk periode pelaporan Tahun 2015, dengan peringkat *Good Corporate Governance* adalah 2 atau setara dengan predikat **"Baik"**.

resolve any intra group transaction which is impact to the members of Financial Conglomerates.

4. Management Information System for Reputation Risk
Management Information System shall provide a complete, accurate, and punctual intra group transaction risk exposure reports to assist decision-making process of BOD of each entity.

Intra-group transactions may take place within financial conglomerates, for example, in such diverse forms as shown below:

- a. The cross-ownership between LJK in financial conglomerates.
- b. Centralized management of short-term liquidity within financial conglomerates.
- c. Guarantees, loans, commitments received from or offered to other group companies.
- d. Exposure to the controlling shareholder including loan exposure and off balance sheet exposure such as guarantee and commitment.
- e. Purchase or sale of assets from and to other group companies.
- f. Transfer of risks through reinsurance.
- g. Transactions for transferring risk exposures related to third parties among group companies.

M. General Conclusion on the Result of the Bank's Good Corporate Governance Implementation Self-Assessment

Bank has conducted self-assessment on the implementation of Good Corporate Governance for the period of 2015 in accordance with the standard format determined by Bank Indonesia.

Based on the results of the Bank's Good Corporate Governance implementation self-assessment for the reporting period of 2015, with the Good Corporate Governance rating of the 2 or equivalent to the predicate **"Good"**.

**LAPORAN PENILAIAN SENDIRI (SELF ASSESSMENT) PELAKSANAAN
GOOD CORPORATE GOVERNANCE (GCG) /
SELF ASSESSMENT REPORT OF IMPLEMENTATION OF
GOOD CORPORATE GOVERNANCE (GCG)**

Nama Bank/ : **PT BANK MIZUHO INDONESIA**
 Name of Bank
 Posisi/ Position : **JANUARI – DESEMBER 2015 / JANUARY – DECEMBER 2015**

Hasil Penilaian Sendiri (Self Assessment) Pelaksanaan GCG/ Result of Self Assessment on the Implementation of GCG		
	Peringkat/ Rating	Definisi Peringkat/ Definition of Rating
Individual/Individual	2	<p>Mencerminkan Manajemen Bank telah melakukan penerapan <i>Good Corporate Governance</i> yang secara umum "Baik". Hal ini tercermin dari pemenuhan yang memadai atas prinsip-prinsip <i>Good Corporate Governance</i>. Apabila terdapat kelemahan dalam penerapan prinsip <i>Good Corporate Governance</i>, maka secara umum kelemahan tersebut tidak signifikan dan dapat segera dilakukan perbaikan oleh manajemen Bank.</p> <p><i>Reflecting that Management of the Bank has performed the implementation of Good Corporate Governance which have been generally assessed as being "Good".</i> <i>This is reflected from the adequate fulfillment of Good Corporate Governance principles.</i> <i>In case weaknesses exist in the implementation of Good Corporate Governance principles, hence, in general, these weaknesses are not significant and can be immediately rectified by the Bank's Management.</i></p>
Konsolidasi/ Consolidated	—	—
Analisis/ Analysis		

Faktor-faktor positif aspek Governance Structure Bank

- Organisasi Bank telah memiliki struktur dan infrastruktur yang memadai sebagaimana tercermin dari komposisi Dewan Komisaris, Direksi, Komite maupun Satuan kerja sesuai ketentuan yang berlaku.
- Pengangkatan dan/atau penggantian Dewan Komisaris, Direksi dan Komite telah dilakukan sesuai dengan kriteria, independensi maupun prosedur yang dipersyaratkan oleh ketentuan.
- Total jumlah direktur yang berkewarganegaraan Indonesia lebih banyak dari jumlah direktur berkewarganegaraan asing.
- Bank memiliki sumber daya manusia yang berkualitas yang mampu menyelesaikan tugasnya secara efektif.
- Disamping itu Bank telah didukung dengan infrastruktur yang memadai yaitu kecukupan dalam kebijakan, prosedur, sistem informasi manajemen serta kejelasan pembagian tugas dan fungsi pada organisasi Bank.
- Bank memiliki *strategic plan* dalam bentuk *bank's corporate plan* dan *bank's business plan* dan telah ditetapkan sesuai dengan visi dan misi bank.

Faktor-faktor negatif aspek Governance Structure Bank

- Pemantauan pembaruan kebijakan dan prosedur sesuai dengan aturan dan peraturan yang berlaku harus ditingkatkan, termasuk ketersediaan kebijakan dan prosedur dalam Bahasa Indonesia.
- Pada semester I, terdapat kekosongan Anggota Komite Audit dan Anggota Komite Pemantau Risiko.

Positive factors of Governance Structure aspect of the Bank

- Organization of the Bank has possessed adequate structure and infrastructure as reflected from composition of Board of Commissioners, Board of Directors, Committee or Working Units in line with prevailing regulation.
- Appointment and/or replacement the Board of Commissioners, Board of Directors and the Committee has been conducted in accordance with criteria, independency and procedure as required by regulation.
- Total number of director with Indonesian nationality is more than with number of director with foreign nationality.
- Bank possessed qualified human resources who are able to complete their task effectively.
- In addition, Bank has also been supported with adequate infrastructure namely sufficiency of the policies, procedures, information systems management as well as clear segregation of duties and functions in Bank's organization.
- Bank has strategic plan in the form of bank's corporate plan and bank's business plan and have been established in accordance with vision and mission of the Bank.

Negative factors of Governance Structure aspect of the Bank

- Monitoring the update of policy and procedure in line with prevailing rules and regulation shall be improved, including the availability of Bahasa Indonesia version.
- In the 1st semester there was a vacancy of Audit Committee Member and Risk Monitoring Committee Members.

Faktor-faktor positif aspek Governance Process Bank

- Pengangkatan dan penggantian Dewan Komisaris, Dewan Direksi, maupun Komite telah sesuai dengan kriteria independensi dan telah mengikuti prosedur seperti yang dipersyaratkan oleh regulasi serta sejalan dengan ketentuan yang berlaku.
- Dewan Komisaris, Direksi dan segenap jajaran organisasi telah melaksanakan tugas dan tanggung jawabnya sesuai dengan ruang lingkup tugas dan tanggung jawab yang telah ditetapkan.
- Pelaksanaan kegiatan operasional Bank telah diawasi dan direview oleh departemen yang independen guna memastikan kegiatan usaha Bank telah memenuhi dan sesuai dengan kebijakan, prosedur internal maupun ketentuan eksternal lainnya.
- Bank telah memastikan penyediaan dana kepada pihak terkait dan penyediaan dana dalam jumlah besar sesuai prinsip kehati-hatian melalui pemantauan Batas Maksimum Pemberian Kredit (BMPK) secara harian dan penetapan limit sebesar 10% untuk masing-masing industri yang dipantau secara bulanan.

Faktor-faktor negatif aspek Governance Process Bank

- Sebagian anggota Dewan Komisaris Bank berdomisili di luar negeri. Hal ini menyebabkan pengawasan aktif lebih banyak dilakukan oleh anggota Dewan Komisaris yang berdomisili di Jakarta.
- Peningkatan pengawasan dari departemen terkait untuk memastikan pembaruan kebijakan dan prosedur sesuai dengan aturan dan regulasi yang berlaku termasuk ketersediaan kebijakan dan prosedur dalam bahasa Indonesia.

Positive factors of Governance Process aspect of the Bank

- Appointment and/or replacement the Board of Commissioners, Board of Directors or the Committee has been conducted in accordance with criteria, independency and procedure as required by regulation and in line with prevailing regulation.
- Board of Commissioners, Board of Directors, Committee and all levels of the organization have carried out their duties and responsibilities in accordance with the scope of the duties and responsibilities specified.
- Implementation of Bank's operational activity have been supervised and reviewed by independent department to ensure that Bank's business activities has been complied with and confirmed to the policies, internal procedures, and other external regulations.
- Bank has ensure the provision of funds to related parties and large amounts of funds provision in accordance with prudential principles through monitoring Lending Limit (LLL) on a daily basis and limits setting of 10% for each industries of which monitored on a monthly basis.

Negative factors of Governance Process aspect of the Bank

- Some members of Bank's Board of Commissioners domiciled in overseas. It led to the implementation of active supervision by Board of Commissioners which is mostly conducted by member of Board of Commissioners domiciled in Jakarta.
- Monitoring from department in-charge to ensure the update of policy and procedure in line with prevailing rules and regulation including the availability of Bahasa Indonesia version shall be improved.

Faktor-faktor positif aspek Governance Outcome Bank

- Seluruh anggota Dewan Komisaris dan Direksi memiliki integritas, kompetensi dan reputasi keuangan yang memadai.
- Sampai dengan periode Desember 2015, terlihat peningkatan kinerja Bank yang tercermin dari pencapaian target maupun profit Bank dalam kurun waktu tersebut.
- Sejalan dengan peningkatan kinerja keuangan, Bank juga terus meningkatkan kepatuhan pada semua tingkatan organisasi dan operasinya.
- Sampai dengan periode Desember 2015, tidak terdapat pelampauan maupun pelanggaran BMPK atas penyaluran kredit.

Faktor-faktor negatif aspek Governance Outcome Bank

- Pemilik / pihak terkait / pihak lainnya tidak melakukan intervensi terhadap kegiatan operasional sehingga tidak menimbulkan benturan kepentingan yang dapat merugikan Bank. Namun mengingat status Bank sebagai perusahaan anak dari Mizuho Bank Ltd (MHBK), maka tidak dapat dihindari komunikasi yang intensif terkait kegiatan operasional Bank yang terefleksi dari laporan-laporan antara Bank dengan MHBK.
- Sampai dengan periode Desember 2015, Bank telah dikenakan beberapa biaya administrasi atas kesalahan atau keterlambatan dalam penyampaian laporan kepada Bank Indonesia dan Kantor Pelayanan Pajak. Pengenaan biaya administrasi selama 2015 meningkat dari tahun sebelumnya.
- Hasil audit posisi September 2015 oleh Otoritas Jasa Keuangan (OJK) menunjukkan bahwa masih terdapat area yang memerlukan penyempurnaan pada pelaksanaan prinsip-prinsip penerapan *Good Corporate Governance* (GCG).

Positive factors of Governance Outcome aspect of the Bank

- All members of Board of Commissioners and Board of Directors possessed an adequate integrity, competence and financial reputation.
- Until period of December 2015, improvement of Bank's performance has been indicated every month reflected from the achievement of profit during the current year.
- In line with the improvement of financial performance, the Bank is also constantly improving compliance at all levels of the organization and its operations.
- Until period of December 2015, there were neither exceeding nor violation of legal lending limit on credit provision.

Negative factors of Governance Outcome aspect of the Bank

- Owner / related parties / other party does not intervene in the operational activities, thus, it does not cause conflicts of interest that may harm the Bank. However, given the status of Bank as a subsidiary of Mizuho Bank Ltd. (MHBK), intensive communication related operational activities is unavoidable as reflected from reports made between Bank with MHBK.
- Until period of December 2015, Bank was imposed with some administrative charges related errors or delays in the submission of the report to the Bank Indonesia and Tax Office. The imposition of administrative charge during 2015 increased from the previous year.
- The result of audit with position September 2015 by *Otoritas Jasa Keuangan* showed that there are areas of implementation good corporate governance (GCG) principles which require improvement.

**LAPORAN PENILAIAN SENDIRI (SELF ASSESSMENT)
 PELAKSANAAN TATA KELOLA TERINTEGRASI
 BAGI KONGLOMERASI KEUANGAN /
 SELF ASSESSMENT REPORT OF IMPLEMENTATION OF
 INTEGRATED GOVERNANCE FOR FINANCIAL CONGLOMERATION**

Nama Bank/
Name of Bank : **PT BANK MIZUHO INDONESIA**
 Posisi/ *Position* : **JANUARI – DESEMBER 2015 / JANUARY – DECEMBER 2015**

Hasil Penilaian Sendiri Pelaksanaan Tata kelola terintegrasi / Result of Self Assessment of Implementation of Integrated Governance	
Peringkat/ Rating	Definisi Peringkat/ Definition of Rating
2	<p>Konglomerasi Keuangan dinilai telah melakukan penerapan Tata Kelola Terintegrasi yang secara umum baik. Hal ini tercermin dari pemenuhan yang memadai atas penerapan prinsip Tata Kelola Terintegrasi. Apabila terdapat kelemahan dalam penerapan Tata Kelola Terintegrasi, secara umum kelemahan tersebut kurang signifikan dan dapat diselesaikan dengan tindakan normal oleh Entitas Utama dan/ atau Lembaga Jasa Keuangan (LJK).</p> <p><i>Financial conglomerate had committed as the implementation of Integrated Governance generally good. This is reflected in an adequate fulfillment of the implementation of the principles of Integrated Governance Practices. If there are weaknesses in the implementation of Integrated Governance Practices, generally the weakness are significantly less and can be solved with normal action by the Main Entity and/or Financial Services Institution (FSI).</i></p>
Analisis/ Analysis	

Kekuatan dalam struktur pelaksanaan Tata Kelola Terintegrasi

- Organisasi Bank selaku Entitas Utama dan PT. Mizuho Balimor (MBF) selaku anggota Konglomerasi Keuangan telah memiliki struktur tata kelola yang memadai sebagaimana tercermin dari pemenuhan komposisi Dewan Komisaris dan Direksi pada masing-masing entitas.
- Satuan Kerja Audit Internal Terintegrasi, Satuan Kerja Manajemen Risiko Terintegrasi dan Satuan Kerja Kepatuhan Terintegrasi telah dibentuk pada tanggal 22 Desember 2015 dengan menetapkan masing-masing Satuan Kerja Kepatuhan, Satuan Kerja Audit Internal, Satuan Kerja Manajemen Risiko Entitas Utama untuk mengemban tugas Satuan Kerja Kepatuhan Terintegrasi, Satuan Kerja Audit Internal Terintegrasi, dan Satuan Kerja Manajemen Risiko Terintegrasi.

Sampai dengan Desember 2015 pembentukan Komite Tata Kelola Terintegrasi telah memasuki tahap nominasi dan penunjukan keanggotaan Komite dan telah ditetapkan oleh Dewan Komisaris Entitas Utama pada tanggal 4 Februari 2016.

Direktur Bank yang membawahkan Satuan Kerja Manajemen Risiko adalah Direktur yang bertanggung jawab terhadap pelaksanaan Manajemen Risiko Terintegrasi dan Satuan Kerja Kepatuhan Terintegrasi bertanggung jawab kepada Direktur Kepatuhan Bank.

Satuan Kerja Audit Internal Terintegrasi bertanggung jawab kepada Presiden Direktur Bank selaku Direktur yang ditunjuk untuk melakukan fungsi pengawasan lembaga jasa keuangan dalam Konglomerasi Keuangan.

- Seluruh Dewan Komisaris dan Direksi Entitas Utama memiliki integritas, kompetensi dan reputasi keuangan yang memadai dibuktikan dengan hasil uji kelayakan dan kepatutan.
- Kebutuhan sumber daya manusia yang berkualitas sebagai anggota Satuan Kerja Audit Internal Terintegrasi, Satuan Kerja Manajemen Risiko Terintegrasi dan Satuan Kerja Kepatuhan Terintegrasi telah terpenuhi dan dinilai masih

Strength in the Structure of the Implementation of Integrated Governance

- Organization of Bank as Main Entity and PT. Mizuho Balimor as member of Financial Conglomeration has possessed adequate governance structure as reflected from the fulfillment of composition of Board of Commissioners and Board of Directors in each entity.
- Integrated Internal Audit Working Unit, Integrated Risk Management Working Unit and Integrated Compliance Working Unit was established on December 22, 2015 by assigning each Compliance Working Unit, Internal Audit Working Unit and Risk Management Working Unit of Main Entity to assume duties of Integrated Internal Audit Working Unit, Integrated Risk Management Working Unit and Integrated Compliance Working Unit.

Until December 2015 the establishment of the Integrated Governance Committee has entered the stage of nomination and appointment of membership of committee and was decided by Board of Commissioners of Main Entity on 4 February 2016.

Director of the Bank who is in charge of Risk Management Unit is Director responsible for the implementation of the Integrated Risk Management Unit and Integrated Compliance Unit is responsible to Compliance Director.

Integrated Internal Audit Working Unit is responsible to the President Director of the Bank as Director appointed to perform a supervisory function to the Financial Services Institution in Financial Conglomeration.

- All members of Board of Commissioners of Main Entity and Board of Directors of Main Entity has sufficient integrity, competency and financial reputation proved by fit and proper test result.
- Requirement of qualified human resources as the member of Integrated Internal Audit Unit, Integrated Risk Management Unit and Integrated Compliance Unit have been fulfilled and considered adequate in line with the

memadai sesuai dengan kompleksitas bisnis dan operasional bank saat ini. Pelatihan dan pendidikan baik terkait teknis keahlian audit, manajemen risiko dan kepatuhan maupun pengetahuan mengenai produk dan operasional bank telah ditetapkan dalam target individual masing-masing anggota Satuan Kerja Audit Terintegrasi, Satuan Manajemen Risiko Terintegrasi dan Satuan Kerja Kepatuhan Terintegrasi

Kekuatan dalam proses pelaksanaan Tata Kelola Terintegrasi

- Dewan Komisaris Entitas Utama dan Direksi Entitas Utama, memiliki pemahaman kegiatan bisnis utama dan risiko utama dengan baik. Mizuho Balimor Finance selaku anggota konglomerasi merupakan salah satu nasabah yang memiliki fasilitas di Bank, sehingga Direksi Bank memahami kegiatan bisnis dan risiko utama Mizuho Balimor Finance selaku anggota dalam konglomerasi keuangan.
- Sampai dengan Desember 2015, Dewan Komisaris Entitas Utama telah melakukan pembahasan secara berkala terkait Konglomerasi Keuangan, antara lain pembahasan terkait dengan rencana penetapan Kebijakan Dasar Manajemen Risiko Terintegrasi dan Tata Kelola Terintegrasi dalam Konglomerasi Keuangan, Kebijakan Tata Kelola Terintegrasi dan Kebijakan Manajemen Risiko Terintegrasi.
- Satuan Kerja Kepatuhan dalam konteks sebagai Satuan Kerja Kepatuhan Terintegrasi telah memantau dan mengevaluasi fungsi kepatuhan di Mizuho Balimor Finance dalam Konglomerasi Keuangan. Pemantauan dan evaluasi telah dilakukan melalui kerjasama dengan *Risk Management and Compliance Division (RMCD)* dari Mizuho Balimor Finance selaku anggota dalam Konglomerasi Keuangan. Pemantauan dan evaluasi tercermin antara lain dari pembentukan Kerangka Tata Kelola Terintegrasi bagi Mizuho Balimor Finance selaku anggota dalam Konglomerasi Keuangan.
- Satuan Kerja Audit Internal dalam konteks sebagai Satuan Kerja Audit Terintegrasi telah melakukan pembahasan dan koordinasi dengan Satuan Kerja Audit Internal Mizuho Balimor Finance dalam mempersiapkan dan menyusun program dan jadwal audit tahun 2016. Satuan Kerja Audit Internal telah menyusun dan menetapkan program

complexity of the business and operations of the bank at this moment. Training and education are related to technical expertise audit, risk management and compliance as well as knowledge about bank's product and operations have been determined in the target each individual member of the Integrated Internal Audit Working Unit, Integrated Risk Management Working Unit and Integrated

Strength in the Process of the Implementation of Integrated Governance

- Board of Commissioners and Board of Directors of Main Entity possessed proper understanding of core business and main risk. Mizuho Balimor Finance as the member of conglomeration is one of Bank's customer with credit facility thus, Board of Directors of Bank understand properly business activity and main risk of Mizuho Balimor Finance as member in Financial Conglomeration.
- Until the period of December 2015, Board of Commissioners of Bank has conducted periodical discussion related to Financial Conglomeration among others the discussion related to plan of establishment of Basic Policy on Integrated Risk Management and Integrated Governance Practices in Financial Conglomeration, Integrated Governance Practices Policy and Integrated Risk Management Policy.
- Compliance Working Unit in the context of Integrated Compliance Unit has monitored and evaluated the compliance function in Mizuho Balimor Finance as a member of Financial Conglomeration. Monitoring and evaluation has been conducted in cooperation with the Risk Management and Compliance Division (RMCD) of Mizuho Balimor Finance as member of the financial conglomeration. Monitoring and evaluation is reflected among other from the establishment of the Integrated Governance Framework for Mizuho Balimor Finance as member in Financial conglomeration.
- Internal Audit Working Unit in the context of the Integrated Internal Audit Working Unit has conducted discussion and coordination with Internal Audit Working Unit Mizuho Balimor Finance in preparing and compiling the program and schedule of audits in 2016. Internal Audit Unit has developed and established a program and the annual

dan jadwal audit tahunan untuk disetujui oleh Presiden Direktur dan Dewan Komisaris. Sementara itu, Mizuho Balimor Finance selaku anggota konglomerasi keuangan telah pula menyusun menetapkan jadwal dan program audit tahun 2016 untuk dilaksanakan oleh satuan kerja internal audit Mizuho Balimor Finance selama tahun 2016.

- Satuan Kerja Manajemen Risiko dalam konteks sebagai Satuan Kerja Manajemen Risiko Terintegrasi telah melakukan proses manajemen risiko yang meliputi:
 - Identifikasi risiko;
 - Pengukuran risiko;
 - Pemantauan dan Pengendalian risiko; dan
 - Sistem Informasi Manajemen Risiko termasuk Pengendalian Internal.

Proses tersebut berlangsung sesuai dengan pelaksanaan yang telah berjalan dimasing-masing entitas dari Konglomerasi Keuangan, dan Bank selaku Entitas Utama telah melakukan evaluasi dan pengembangan dari hal-hal yang perlu dikembangkan sehubungan dengan pelaksanaan manajemen risiko terintegrasi.

- Komite Manajemen Risiko Terintegrasi telah menyelenggarakan Rapat Komite yang telah dilaksanakan pada tanggal:
 - Tanggal 23 Desember 2015 dengan agenda untuk melakukan evaluasi terhadap Kebijakan Manajemen Risiko Terintegrasi dan Kebijakan Tata Kelola Terintegrasi yang telah disusun oleh Satuan Kerja Terintegrasi yang berkaitan, dan selanjutnya rekomendasi yang dihasilkan dalam Rapat Komite disampaikan untuk mendapat persetujuan dari Direksi Entitas Utama dan Dewan Dewan Komisaris Entitas Utama
 - Tanggal 10 Februari 2016 dengan agenda melakukan evaluasi terhadap hasil penilaian Profil Risiko Terintegrasi, Perhitungan Kecukupan Modal Terintegrasi dan termasuk Penilaian Tata Kelola Terintegrasi yang telah dilaksanakan oleh Satuan Kerja Terintegrasi yang berkaitan, dan selanjutnya rekomendasi yang dihasilkan dalam Rapat Komite disampaikan untuk mendapat persetujuan dari Direksi Entitas Utama dan Dewan Dewan Komisaris Entitas Utama.

audit schedule to be approved by the President Director and Board of Commissioners. Meanwhile, Mizuho Balimor Finance as member of the financial conglomeration has also arrange the schedule and program for the year 2016 audit carried out by the internal audit working unit of Mizuho Balimor Finance for year 2016.

- The implementation of the risk management process by the Integrated Risk Management Committee include the following processes:
 - Identification of risk
 - Measurement of risk
 - Monitoring and control of risk; and
 - Risk Management Information System including Internal Control.

The process occur in accordance with the implementation of which has been running in the respective entities of the financial conglomeration, and Bank as the Main Entity has conducted an evaluation and development of things that need to be developed in connection with the implementation of integrated risk management.

- Integrated Risk Management Committee has organized a meeting of the Committee which was held on:
 - 23 December 2015 with the agenda to evaluate the Integrated Risk Management Policy and Integrated Governance Practices Policy which was prepared by related integrated working unit , and further, recommendations resulting in the meeting of the Committee was submitted for approval by the Board of Commissioners and Board of Directors of Main Entity
 - 10 February 2016 with the agenda to evaluate the results of Integrated Risk Profile Rating, the calculation of Integrated Capital Adequacy and including the Assessment of Integrated Government Practices implemented by related working unit and further recommendations resulting in the meeting of the Committee was submitted to obtain approval from the Board of Commissioners and Board of Directors of Main Entity

Kekuatan dalam hasil pelaksanaan Tata Kelola Terintegrasi

- Dewan Komisaris Entitas Utama melalui Keputusan Dewan Komisaris yang diedarkan sebagai pengganti Rapat (*Circular Resolution in lieu of Meeting*), antara lain menetapkan Kebijakan Dasar Manajemen Risiko Terintegrasi dan Tata Kelola Terintegrasi dalam Konglomerasi Keuangan pada bulan Juli 2015, Kebijakan Tata Kelola Terintegrasi dan Kebijakan Manajemen Risiko Terintegrasi pada bulan Desember 2015.
- Satuan Kerja Kepatuhan dalam konteks sebagai Satuan Kerja Kepatuhan Terintegrasi telah menyampaikan laporan hasil evaluasi dan pemantauan terhadap Mizuho Balimor Finance selaku anggota Konglomerasi Keuangan untuk periode Juli - Desember 2015 kepada Direktur Kepatuhan Bank, termasuk pula rencana pelaksanaan fungsi kepatuhan secara terintegrasi dan jadwal pemenuhan persyaratan penyampaian laporan penilaian sendiri pelaksanaan tata kelola terintegrasi bagi konglomerasi keuangan.
- Satuan Kerja Audit Internal dalam konteks sebagai Satuan Kerja Audit Terintegrasi melakukan pemantauan atas rencana dan pelaksanaan audit internal terhadap Mizuho Balimor Finance dengan menerima Laporan Rencana dan Program Audit Mizuho Balimor Finance tahun 2016 dan laporan dari hasil pemeriksaan oleh Audit Internal Mizuho Balimor Finance secara berkala.
- Satuan Kerja Manajemen Risiko dalam konteks Satuan Kerja Manajemen Risiko Terintegrasi telah:
 - Membuat kerangka penilaian Profil Risiko Terintegrasi termasuk metodologi dalam penetapan peringkat
 - Melakukan koordinasi dengan pihak Mizuho Balimor Finance dalam hal pelaksanaan penyusunan kerangka kerja penilaian
 - Melakukan verifikasi data yang digunakan dalam proses penilaian Profil Risiko
 - Melakukan perhitungan kebutuhan modal terintegrasi bagi Konglomerasi Keuangan.

Strength in the Result of the Implementation of Integrated Governance

- Board of Commissioners of Main Entity by Decision of the Board of Commissioners circulated as a replacement Meeting (*Circular Resolution in lieu of Meeting*), among others determining Basic Policy on Integrated Risk Management and Integrated Governance Practices in Financial Conglomeration in July 2015, Integrated Governance Practices Policy and Integrated Risk Management Policy in December 2015.
- Compliance Working Unit in the context of Integrated Compliance Working Unit has submitted the report on evaluation result and monitoring toward Mizuho Balimor Finance as member of Financial Conglomeration and responsibilities during the period July - December 2015 to Compliance Director of Bank as Main Entity which include among others the plan for implementation of integrated compliance function and timeline for the fulfillment of requirement for submitting report of self-assessment of integrated governance practices for financial conglomeration.
- Internal Audit Working Unit in the context of the Integrated Internal Audit Working Unit conducted monitoring on the plan and the implementation of Mizuho Balimor Finance Internal Audit toward Mizuho Balimor Finance by accepting the report Plan and Audit Program year 2016 and the report of the results of the examination by the Internal Audit of Mizuho Balimor Finance periodically.
- Risk Management Working Unit in the context of Integrated Risk Management Working Unit has :
 - Created Integrated Risk Profile assessment framework including the methodology in determining the rating
 - Coordinating with Mizuho Balimor Finance in terms of implementation of the preparation of assessment frameworks
 - Conducted verification on the data used in the assessment process of Risk Profile
 - Conducted integrated capital requirement calculations for Financial Conglomeration.

Kelemahan dalam hasil pelaksanaan Tata Kelola Terintegrasi

- Bank sebagai Entitas Utama masih perlu menyempurnakan prosedur Tata Kelola Terintegrasi dan Manajemen Risiko Terintegrasi guna memastikan pelaksanaan fungsi pemantauan dan evaluasi oleh unit kerja-unit kerja dalam Konglomerasi Keuangan agar berjalan lebih baik dan konsisten.

Weakness in the Result of the Implementation of Integrated Governance

- Bank as the Main Entity is still necessary to improve the procedures and guidelines for Integrated Governance and Integrated Risk Management to ensure the implementation of the monitoring and evaluation of functions by working units in Financial Conglomeration to be running well and consistent.

DIREKSI
PT Bank Mizuho Indonesia



MITSUNOBU HASEGAWA
Presiden Direktur



FUMIRO KIMURA
Wakil Presiden Direktur



SILVIA LIDWINA SCHRAM
Direktur



ROOSMALADEWI
Direktur



LEONARD WILSON LAY
Direktur



TAIZO MAKINO
Direktur



DJADI
Direktur