



PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA

(incorporated in the Republic of Indonesia with limited liability)

U.S.\$5,000,000,000 Global Medium Term Note Program

Under this U.S.\$5,000,000,000 Global Medium Term Note Program established on April 25, 2018 (the "Program"), Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company"), subject to compliance with all relevant laws, regulations and directives, may, from time to time, issue notes in bearer or registered form (the "Notes").

The maximum aggregate principal amount of all Notes from time to time outstanding under the Program will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies determined at the time of the agreement to issue), subject to any duly authorized increase. The Notes may be denominated in U.S. dollars, Euros and such other currencies as may be agreed between the Company and the Relevant Dealers (as defined below) subject to all legal and regulatory requirements applicable to issuances in particular currencies. The Notes may bear interest on a fixed or floating rate basis, be issued on a fully discounted basis and not bear interest, or be indexed.

The Notes may be issued on a continuing basis to the Dealers and any additional Dealer(s) appointed under the Program from time to time pursuant to the terms of a Program Agreement dated April 25, 2018 (as same may be amended from time to time, the "Program Agreement"), which appointment may be for a specific issue or on an ongoing basis (each, a "Dealer" and, together, the "Dealers"). References in this Offering Memorandum to the "Relevant Dealer" in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, shall be to all Dealers agreeing to subscribe for such Notes.

Notes will be issued in Series (each, a "Series"), with all Notes in a Series having the same maturity date and terms otherwise identical (except in relation to issue dates, interest commencement dates, issue prices and related matters). Notes of each Series may be issued in one or more tranches (each, a "Tranche") on different issue dates. Details applicable to each particular Series or Tranche will be supplied in a pricing supplement to this Offering Memorandum (each, a "Pricing Supplement"), which will contain the aggregate principal amount of the Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche. This Offering Memorandum may not be used to consummate sales of Notes, unless accompanied by a Pricing Supplement.

The price and amount of Notes to be issued under the Program will be determined by the Company and the Relevant Dealer at the time of issue in accordance with prevailing market conditions.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for the listing and quotation of, any Notes to be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the "Official List"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Company and its respective subsidiaries and associated companies, the Program or the Notes. Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and certain other information which is applicable to each Tranche of Notes will be set out in the relevant Pricing Supplement which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche. Unlisted Notes may be issued under the Program. The relevant Pricing Supplement in respect of any Series will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. There is no assurance that the application will be approved.

Application has been made to the London Stock Exchange plc (the "London Stock Exchange") for the Notes to be admitted to the London Stock Exchange's International Securities Market (the "ISM"). The ISM is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, "MiFID II").

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Listing Authority. The London Stock Exchange has not approved or verified the contents of this Offering Memorandum.

Notes of each Series to be issued in bearer form ("Bearer Notes") will initially be represented by interests in a temporary global Note or by a permanent global Note, in either case in bearer form (each a "Temporary Global Note" and a "Permanent Global Note," respectively), without interest coupons, which may be deposited on the relevant date of issue (the "Issue Date") with a common depository on behalf of Clearstream Banking S.A. ("Clearstream") and Euroclear Bank SA/NV ("Euroclear") (the "Common Depository") or any other agreed clearance system compatible with Euroclear and Clearstream and will be sold in an "offshore transaction" within the meaning of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act"). The provisions governing the exchange of interests in Temporary Global Notes and Permanent Global Notes (each, a "Bearer Global Note") for other Bearer Global Notes and individual definitive Bearer Notes ("Definitive Bearer Notes") are described in "Forms of the Notes." Definitive Bearer Notes will only be available in the limited circumstances as described herein.

Notes of each Series to be issued in registered form ("Registered Notes") sold in an offshore transaction will initially be represented by interests in a global unrestricted Note, without interest coupons (each an "Unrestricted Global Security"). Notes of each Series sold to a qualified institutional buyer ("QIB") within the meaning of Rule 144A under the Securities Act ("Rule 144A"), as referred to in, and subject to the transfer restrictions described in, "Subscription and Sale" and "Transfer Restrictions" will initially be represented by interests in a global restricted Note, without interest coupons (each a "Restricted Global Security" and together with any Unrestricted Global Security, the "Registered Global Securities"). Registered Global Securities will be deposited with: (i) a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("DTC") for the accounts of its participants, including Euroclear and Clearstream, or (ii) a Common Depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, or (iii) other clearing system, in each case, as specified in the applicable Pricing Supplement. See "Global Clearance and Settlement Systems."

Notes in definitive registered form will be represented by registered certificates (each, a "Certificated Security"), one Certificated Security being issued in respect of each Noteholder's entire holding of Notes of one Series and will only be available in the limited circumstances as described herein.

The Program has been rated BBB by Fitch Ratings Ltd. ("Fitch") and Baa2 by Moody's Investor Services, Inc. ("Moody's"). Notes of any Series issued under the Program may be rated or unrated. When an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Memorandum.

The Notes have not been and will not be registered under the Securities Act nor with any securities regulatory authority of any state or other jurisdiction and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). Bearer Notes may not be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code")). Prospective purchasers are hereby notified that sellers of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "Transfer Restrictions." An offering of Notes under this Program will not constitute a public offering in Indonesia under Law Number 8 of 1995 on Capital Markets. The Notes may not be offered or sold in Indonesia or to Indonesian citizens, wherever they are domiciled, or to Indonesian residents, in a manner which constitutes a public offering under the laws and regulations of Indonesia.

Arrangers

CITIGROUP

STANDARD CHARTERED BANK

**STANDARD CHARTERED BANK
(SINGAPORE) LIMITED**

HSBC

MANDIRI SECURITIES

Dealers

CITIGROUP

STANDARD CHARTERED BANK

**STANDARD CHARTERED BANK
(SINGAPORE) LIMITED**

HSBC

MANDIRI SECURITIES

ANZ

BNP PARIBAS

The date of this Offering Memorandum is April 25, 2018

This document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”).

Our Company accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of our Company, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and contains no omission likely to affect its import. Our Company accepts responsibility accordingly.

No person has been authorized to give any information or to make any representation other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by our Company, the Arrangers, any of the Dealers, the Trustee, the Paying Agent or the Registrar (each as defined herein) or any other person. Neither the delivery of this Offering Memorandum nor any sale in connection therewith shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of any party mentioned herein since that date.

The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither our Company nor any of the Dealers represents that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by our Company or the Dealers which would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offer and sales by them will be made on the same terms. Persons into whose possession this Offering Memorandum or any Notes come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Singapore, Hong Kong and Japan. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Memorandum, see “*Subscription and Sale*” and “*Transfer Restrictions*.”

The SGX-ST takes no responsibility for the contents of this Offering Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Memorandum.

This document does not constitute an offer of, or an invitation by or on behalf of our Company, the Arrangers or any of the Dealers to subscribe for or purchase, any Notes.

Subject as provided in the applicable Pricing Supplement, the only persons authorized to use this Offering Memorandum in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the Relevant Dealer or any other persons named in the section “Non-exempt Offer” of the Pricing Supplement (if any), as the case may be.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers, any of the Dealers, the Trustee, the Paying Agent or the Registrar (each as defined herein) or any other person to the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Memorandum in connection with the Notes, their distribution or their future performance. To the fullest extent permitted by law, none of the Dealers or the Arrangers, the Trustee, the Paying Agent or the Registrar accepts any responsibility for the contents of this Offering Memorandum or for any other statement, made or purported to be

made by the Arrangers or Dealers or on their behalf in connection with the Company, or the issue and offering of the Notes. The Arrangers and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Memorandum or any such statement.

Neither this Offering Memorandum nor any other information supplied in connection with the Program or any Notes is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or constituting an offer by our Company, the Arrangers, any of the Dealers, the Trustee, the Paying Agent or the Registrar that any recipient of this Offering Memorandum should purchase any of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of our Company. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum and its purchase of Notes should be based on such investigation as it deems necessary.

We have not authorized anyone to provide prospective investors with information that is different. This Offering Memorandum may only be used where it is legal to sell these securities. The information in this Offering Memorandum may only be accurate on the date of this Offering Memorandum.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

BEARER NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND MAY NOT AT ANY TIME BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TREASURY REGULATIONS. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND U.S. TREASURY REGULATIONS PROMULGATED THEREUNDER.

THIS OFFERING MEMORANDUM HAS BEEN PREPARED BY THE COMPANY FOR USE IN CONNECTION WITH THE OFFER AND SALE OF NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND IN THE CASE OF REGISTERED NOTES, IF PROVIDED IN THE RELEVANT PRICING SUPPLEMENT, WITHIN THE UNITED STATES TO QIBS IN RELIANCE ON RULE 144A. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF REGISTERED NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND THE DISTRIBUTION OF THIS DOCUMENT, SEE “*SUBSCRIPTION AND SALE*” AND “*TRANSFER RESTRICTIONS*.”

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS OFFERING MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF NOTES IN ANY MEMBER STATE (“MEMBER STATE”) OF THE EUROPEAN ECONOMIC AREA (“EEA”) WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF NOTES. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AS AMENDED), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE MEMBER STATE CONCERNED.

IMPORTANT — EEA RETAIL INVESTORS

IF THE FINAL TERMS (OR PRICING SUPPLEMENT, AS THE CASE MAY BE) IN RESPECT OF ANY NOTES INCLUDES A LEGEND ENTITLED “PROHIBITION OF SALES TO EEA RETAIL INVESTORS”, THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (“MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INDONESIAN INVESTORS

AN OFFERING OF NOTES UNDER THIS PROGRAM WILL NOT CONSTITUTE A PUBLIC OFFERING IN INDONESIA UNDER LAW NUMBER 8 OF 1995 ON CAPITAL MARKETS. THIS OFFERING MEMORANDUM MAY NOT BE DISTRIBUTED IN INDONESIA AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN INDONESIA OR TO INDONESIAN CITIZENS WHEREVER THEY ARE DOMICILED, OR TO INDONESIAN RESIDENTS IN A MANNER WHICH CONSTITUTES A PUBLIC OFFERING UNDER THE LAWS AND REGULATIONS OF INDONESIA. THE INDONESIAN FINANCIAL SERVICE AUTHORITY (*OTORITAS JASA KEUANGAN* OR “OJK”) HAS NOT REVIEWED OR DECLARED ITS APPROVAL OR DISAPPROVAL OF THE ISSUE OF THE NOTES, NOR HAS IT MADE ANY DETERMINATION AS TO THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY STATEMENT TO THE CONTRARY IS A VIOLATION OF INDONESIAN LAWS AND REGULATIONS.

AVAILABLE INFORMATION

In the event that Notes are offered and sold in reliance on Rule 144A, we will agree that, for so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”), nor exempt from reporting pursuant

to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in Rule 144A(d)(4) under the Securities Act.

CERTAIN DEFINED TERMS AND CONDITIONS

As used in this Offering Memorandum, unless the context otherwise requires, the terms “we,” “us,” “our,” “the Company,” “our Company” and “PLN” refer to Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and our consolidated subsidiaries.

Market data used throughout this Offering Memorandum have been obtained from Bank Indonesia, the Economist Intelligence Unit (the “EIU”), Badan Perencanaan Pembangunan Nasional (National Development Planning Agency) (“BAPPENAS”), Statistik Ekonomi dan Keuangan Indonesia (Indonesian Financial Statistics), Badan Pusat Statistik (Statistics Indonesia), market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, market research, while believed to be reliable, has not been independently verified, and none of our Company or the Arrangers or any of the Dealers makes any representation as to the accuracy of that information.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, all references to “Indonesia” are references to the Republic of Indonesia. All references to the “Government” herein are references to the Government of the Republic of Indonesia. All references to “United States” or “U.S.” herein are references to the United States of America.

In connection with the issue of Notes in any Series or Tranche under the Program, the Dealer or Dealers (if any) named as the stabilizing manager(s) (the “Stabilizing Manager(s)”) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes in such Series at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the Pricing Supplement of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules. See “*Subscription and Sale.*”

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Memorandum should be read and construed in conjunction with each relevant Pricing Supplement and all other documents which are deemed to be incorporated by reference in the relevant Offering Memorandum and in the relevant Pricing Supplement. The relevant supplemental Offering Memorandum and the relevant Pricing Supplement shall, save as specified herein and therein, be read and construed on the basis that such documents are so incorporated by reference and form part of the relevant supplemental Offering Memorandum and the relevant Pricing Supplement.

This Offering Memorandum should also be read and construed in conjunction with the most recently published audited consolidated financial statements, and any interim consolidated financial statements (whether audited or unaudited) published subsequently to such consolidated financial statements, of our Company from time to time, which are included elsewhere in this Offering Memorandum and/or

published on the website of the SGX-ST (www.sgx.com) and the London Stock Exchange, which shall be deemed to be incorporated in, and to form part of, this Offering Memorandum and which shall be deemed to modify or supersede the contents of this Offering Memorandum to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of documents deemed to be incorporated by reference in this Offering Memorandum may be obtained without charge from the registered office of our Company and the Offering Memorandum and the relevant Pricing Supplement will be published on the Company's website.

SUPPLEMENTAL OFFERING MEMORANDUM

If at any time we shall be required to prepare a supplemental Offering Memorandum, we will prepare and make available an appropriate amendment or supplement to this Offering Memorandum or a further Offering Memorandum.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Offering Memorandum includes, and any accompanying supplemental offering memorandum may include, forward-looking statements. All statements other than statements of historical facts included in this Offering Memorandum and any supplemental Offering Memorandum regarding, among other things, Indonesia's economy, fiscal condition, debt or prospects and our business may constitute forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "continue" or similar terminology. Although our Company believes that the expectations reflected in our forward-looking statements are reasonable at this time, there can be no assurance that these expectations will prove to be correct. Specifically, statements under the captions "*Summary*," "*Risk Factors*" and "*Our Business*" relating to the following matters may include forward-looking statements:

- our financial condition, business strategy, budgets and projected financial and operating data;
- our anticipated capital expenditures;
- our ability to be and remain competitive;
- our plans and objectives of management for future operations;
- generation of future receivables; and
- environmental compliance and remediation.

Such statements are subject to certain risks and uncertainties, including:

- economic, social and political conditions in Indonesia;
- increases in regulatory burdens in Indonesia, including our public service obligations ("PSOs"), dividend obligations, environmental regulations and compliance costs;
- accidents, natural disasters and other catastrophes;
- changes and volatility in market prices of or demand for key commodities consumed by us, as a result of competitive actions, economic factors such as inflation or exchange rate fluctuations, or otherwise;

- changes in our relationship with the Government and other government authorities in Indonesia, joint venture partners, our shareholders, co-investors and other counterparties;
- changes in our regulatory and/or tax environment;
- changes in terms and conditions of the agreements under which we operate our business and the ability of third parties to perform in accordance with contractual terms and specifications;
- fluctuations in foreign currency exchange rates; and
- our ability to manage the risks described above and in the section captioned “*Risk Factors*” and other factors not yet known to us.

Should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to be correct. Accordingly, prospective purchasers are cautioned not to place undue reliance on forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

EXCHANGE RATES

In this Offering Memorandum, references to “U.S.,” “\$” and “U.S. dollars” are to United States dollars, references to “Rupiah” and “Rp.” are to the currency of Indonesia, references to “EUR” and “Euro” are to the currency of the European Union and references to “JPY” and “Japanese Yen” are to the currency of Japan. Our Company publishes our consolidated financial statements in Rupiah. This Offering Memorandum contains translations of certain Rupiah amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Rupiah amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all. Except as indicated otherwise, translations from Rupiah to U.S. dollars have been made, for convenience purposes only, at a rate of Rp.13,548 = U.S.\$1.00, being the average of the buying and selling rates of exchange for Rupiah against U.S. dollars quoted by Bank Indonesia as at December 31, 2017. See “*Exchange Rates and Exchange Controls*” for further information regarding the rates of exchange between the Rupiah and the U.S. dollar.

PRESENTATION OF FINANCIAL INFORMATION

Our audited consolidated financial statements and, unless otherwise indicated, financial information in this Offering Memorandum have been prepared in accordance with the Generally Accepted Accounting Principles in Indonesia (“Indonesian GAAP”) and the Indonesian Financial Accounting Standards (“IFAS”), which differ in certain respects from generally accepted accounting principles in the United States (“U.S. GAAP”). Each prospective investor should consult its professional advisors for an understanding of the difference between Indonesian GAAP/IFAS and U.S. GAAP. For a summary of certain differences between Indonesian GAAP/IFAS and U.S. GAAP, see “*Summary of Certain Differences Between Indonesian GAAP/IFAS and U.S. GAAP.*” Our consolidated financial statements are presented in Rupiah, our reporting currency. Our financial information disclosed in this Offering Memorandum is presented on a consolidated basis.

Prior to the issuance of Regulation No. 6/POJK.04/2017 “Accounting Treatment of Transactions Based on Power and Sale Purchase Agreement” on March 1, 2017 (“Regulation No. 6”), the basis for preparation of financial statements for an issuer or listed entity was IFAS, which covers:

- (a) Statement of Financial Accounting Standards (“SFAS”) and Interpretations of Financial Accounting Standards (“ISFAS”) issued by the Financial Accounting Standard Board — Indonesian Institute of Accountant (“FASB-IIA”) and the Indonesian Sharia Accounting Standard Board — Indonesian Institute of Accountant (“ISASB-IIA”); and
- (b) Financial accounting regulations issued by the OJK.

Our audited consolidated financial statements as of and for the year ended December 31, 2015 and, unless otherwise indicated, 2015 financial information in this Offering Memorandum have been prepared in accordance with IFAS. Any statement of compliance with IFAS (i.e., the financial statements comply with all the requirements of IFAS even though there are differences between SFAS and IFAS issued by the FASB-IIA and the ISASB — IIA with financial accounting regulations issued by the OJK) included elsewhere in this Offering Memorandum refers to our consolidated financial statements as of and for the year ended December 31, 2015.

Regulation No. 6 sets out that the basis for preparation of financial statements for an issuer or a listed entity that applies Regulation No. 6 is Indonesian GAAP, which covers:

- (a) SFAS and ISFAS issued by the FASB-IIA and the ISASB-IIA; and
- (b) Financial accounting regulations issued by the OJK.

This regulation sets out that when there are differences between SFAS and ISFAS issued by the FASB-IIA and the ISASB-IIA with financial accounting regulations issued by the OJK, an issuer or a listed entity is required to apply the financial accounting regulations issued by the OJK. The regulation is mandatory for financial statements for periods beginning on or after January 1, 2017 and is applied prospectively. Early adoption is permitted for financial statements for the period beginning on or after January 1, 2016 and we elected such early adoption.

Our consolidated financial statements as of and for the years ended December 31, 2016 and 2017, and, unless otherwise indicated, 2016 and 2017 financial information in this Offering Memorandum have been prepared in accordance with Indonesian GAAP. Any statement of compliance to Indonesian GAAP included elsewhere in this Offering Memorandum refers to our consolidated financial statements as of and for the years ended December 31, 2016 and 2017.

Our consolidated financial statements as of and for the year ended December 31, 2015 were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) and our consolidated financial statements as of and for the years ended December 31, 2016 and

2017 were audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network), in each case in accordance with the Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Such consolidated financial statements and the related audit reports are included elsewhere in this Offering Memorandum.

Restatement of Prior Years' Consolidated Financial Statements

Restatement of the consolidated financial statements as of and for the year ended December 31, 2016

On May 8, 2017, the Minister of Energy and Mineral Resources (“MEMR”) issued a letter relating to the realization of our electricity transmission losses, and on August 31, 2017, the Audit Board of the Republic of Indonesia (the “Audit Board”) issued an audit report on the specific issue of electricity subsidies for fiscal year 2016 No.37A/AUDITAMA VII/PDPT/08/2017 (the “August 2017 Audit Report”). As a result of a change in the assumptions used for the calculation of losses as agreed between MEMR and the Audit Board, the August 2017 Audit Report determined that the correct amount of the electricity subsidy that we receive from the Government that we should recognize in our consolidated statement of profit and loss for 2016 was Rp.58,043 billion, and not Rp.60,442 billion as reported in our previously issued financial statements for 2016. As a result, we restated the line item “Government’s electricity subsidy” in the profit and loss statement in our consolidated financial statements for 2016 to Rp.58,043 billion, and made related adjustments to other items such as “Operating Income After Subsidy” and “Income for the Year”. As a result of this restatement, KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network) reissued an unmodified audit opinion dated January 8, 2018 on our restated consolidated financial statements for 2016. See Note 58 to our consolidated financial statements as of and for the year ended December 31, 2016. This change does not have any impact to our consolidated financial statements as of and for the year ended December 31, 2015.

Restatement of the consolidated financial statements as of and for the year ended December 31, 2015

Since January 1, 2012, we have applied the provisions of ISFAS 8, “Determining Whether an Arrangement Contains a Lease” (“ISFAS 8”). ISFAS 8 provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30 (revised 2011), “Leases” (“SFAS 30”). SFAS 30 provides guidance in determining whether an arrangement qualifies as finance lease or operating lease.

During the preparation of our consolidated financial statements as of and for the year ended December 31, 2015, we reconsidered the applicable accounting treatment on our power purchase agreements (“PPAs”) and energy sales contracts (“ESCs”) with independent power producers (“IPPs”) (together referred to as “IPP Power Supply Contracts”) and we determined that our IPP Power Supply Contracts are not arrangements that are, or contain, leases based on ISFAS 8. Consequently, SFAS 30 was not applied to our IPP Power Supply Contracts for the year ended December 31, 2015 and our IPP Power Supply Contracts were accounted for as a normal purchase of electricity for the year ended December 31, 2015. As a result, on June 28, 2016, our independent public accountants issued a qualified audit opinion on our consolidated financial statements as of and for the year ended December 31, 2015 stating that in their opinion, those consolidated financial statements presented fairly, in all material respects, the financial position of our Company and our subsidiaries as of December 31, 2015, and our financial performance and cash flows for the year then ended in accordance with IFAS, except for the effects of not applying SFAS 30 to our IPP Power Supply Contracts. On March 1, 2017, the OJK issued Regulation No. 6. Based on this regulation, certain agreements entered into in relation to or in connection with the supply of electricity (such as our IPP Power Supply Contracts) are accounted for as sale and purchase transactions even if they contain arrangements other than in connection with the sale and purchase of electricity. The regulation is mandatory for financial statements for periods beginning on or after January 1, 2017 and is applied prospectively. Early adoption is permitted for financial statements for the period beginning on or after January 1, 2016 and we elected such early

adoption. As a result, we ceased to apply ISFAS 8 from January 1, 2016. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia will have been completed or terminated. There can be no assurance, however, that the Government or the OJK will not issue different or new regulations or guidance in the future which could lead our management to go back to treating IPP Power Supply Contracts as finance leases. See *“Risk Factors — We have implemented changes in how we account for our IPP Power Supply Contracts which make it difficult to compare our financial information from year to year”*.

In order to apply SFAS 30 and ISFAS 8 to our IPP Power Supply Contracts and fully conform with IFAS as of and for the year ended December 31, 2015, we restated our consolidated financial statements as of and for the year December 31, 2015. As a result of this restatement, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated March 14, 2017 (not included in this Offering Memorandum) that removed the qualification on the previously issued audit opinion dated June 28, 2016. Subsequently, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated April 26, 2017 on the restated consolidated financial statements prepared in accordance with IFAS as of and for the year ended December 31, 2015. Those consolidated financial statements and the related unqualified audit opinion dated April 26, 2017 are included elsewhere in this Offering Memorandum.

Comparability of Consolidated Financial Statements and Financial Information

As described above, following the issuance of Regulation No. 6, we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 applied ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations— Restatement of Prior Years’ Consolidated Financial Statements”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations— Changes in Accounting Policies.”*

Solely for the convenience of the reader and to enhance the comparability of the financial information discussed in this Offering Memorandum, we also discuss certain financial information that excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts in 2015 in order to provide additional information, on an illustrative basis, when comparing it to financial information for 2016 and 2017, which under Regulation No. 6 also excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts. Such adjusted 2015 financial information is not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015 which were prepared in accordance with IFAS and applied the provisions of ISFAS 8. The 2015 financial information that excludes the effects of ISFAS 8 is neither audited nor reviewed and is not based on IFAS or any generally accepted accounting principles. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) were not engaged to audit, review or apply any procedures on this financial information. Accordingly, prospective investors should not rely on this 2015 financial information that excludes the effects of ISFAS 8 as if it had been audited or reviewed by our independent public accountants, or prepared in full compliance with IFAS.

Rounding

Rounding adjustments have been made in calculating some of the financial information included in this Offering Memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

NON-GAAP FINANCIAL MEASURES

In this Offering Memorandum, we refer to Adjusted EBITDA, Adjusted EBITDA margin as well as other non-GAAP measures. Our Adjusted EBITDA refers to operating income plus depreciation expense, amortization expense and actuarial employee benefit expense — net of payments. Our Adjusted EBITDA and Adjusted EBITDA margin as well as other non-GAAP measures presented in this Offering Memorandum are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indonesian GAAP/IFAS or U.S. GAAP. Furthermore, they are not measurements of our financial performance or liquidity under Indonesian GAAP/IFAS or U.S. GAAP and should not be considered as alternatives to net profit, operating income or any other performance measures derived in accordance with Indonesian GAAP/IFAS or as alternatives to our cash flows or as measures of our liquidity. We believe the presentation of our Adjusted EBITDA and Adjusted EBITDA margin facilitates comparisons of operating performance from year to year and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets and deferred charges (affecting relative depreciation and amortization expense). In particular, presentation of our Adjusted EBITDA and Adjusted EBITDA margin eliminates non-cash items such as amortization of deferred charges, actuarial employee benefit expense — net of payments that arise from actuarial assumptions and depreciation expense that arises from the capital intensive nature of the utilities industry. We also believe that the presentation of Adjusted EBITDA and Adjusted EBITDA margin is a useful supplemental measure of a company's ability to service debt. Finally, we present our Adjusted EBITDA and Adjusted EBITDA margin because we believe they are frequently used by securities analysts and investors in evaluating similar companies. Nevertheless, Adjusted EBITDA and Adjusted EBITDA margin have limitations as any analytical tool does, and you should not consider them in isolation from, or as substitutes for, analysis of our financial condition or results of operations, as reported under Indonesian GAAP/IFAS. Because of these limitations, our Adjusted EBITDA and Adjusted EBITDA margin should not be considered as measures of discretionary cash available to invest in the growth of our business.

ENFORCEABILITY OF FOREIGN JUDGMENTS IN INDONESIA

We are a state-owned limited liability company incorporated in Indonesia. All of our Company's commissioners, directors and executive officers (and certain experts named in this Offering Memorandum) reside in Indonesia. As a result, it may be difficult for investors to effect service of process upon such persons, or to enforce against us in court, judgments obtained in courts outside of Indonesia.

We have been advised by our Indonesian legal advisor, Hadiputranto, Hadinoto & Partners, that judgments of courts outside Indonesia are not enforceable in Indonesian courts. A foreign court judgment could be offered and accepted into evidence in a proceeding on the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate in its sole discretion. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law.

OFFSHORE BORROWINGS

Under Presidential Decree No. 59/1972, as partly revoked by Presidential Decree No. 120/1998 and Presidential Regulation No. 86/2006, as amended by Presidential Regulation No. 91/2007 ("PD No. 59/1972"), offshore borrowings by a state-owned enterprise must be approved by the Minister of Finance of Indonesia. Further, under Presidential Decree No. 39/1991 ("PD No. 39/1991"), the application to obtain approval for offshore borrowings by a state-owned enterprise must be submitted to the Team of Offshore Commercial Borrowing ("PKLN Team"), whose members include, among others, the Minister of Finance of Indonesia and Bank Indonesia. On January 8, 2016, Presidential Regulation No. 4/2016, as amended by Presidential Regulation No. 14/2017, on Acceleration of Power Infrastructure ("PR 4") was issued to accelerate the development of 35,000 MW of new generation capacity over a five-year period (the "35,000 MW Program"). Under PR 4, the provisions of PD No. 59/1972 and PD No. 39/1991 are exempted in relation to investment funding of electricity infrastructure to be conducted by our Company, including the requirements to obtain prior approvals from PKLN Team and the Minister of Finance of Indonesia to issue the Notes. This has been confirmed by the Coordinating Ministry of the Economy of Indonesia through letter No. S-51/D.I.M.EKON/05/2016, dated May 16, 2016 and letter No. S-100/D.I.M.EKON/04/2018 dated April 6, 2018.

Under PD No. 59/1972 and PD No. 39/1991, our Company is also required to submit periodic reports on offshore borrowings to the Minister of Finance of Indonesia, Bank Indonesia and the PKLN team. However, these requirements are exempted under PR 4 in which our Company is only required to submit reports to the Coordinating Minister in charge of governmental affairs in Economic Coordination Affairs and Minister of State-Owned Enterprises.

Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 on Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt ("PBI 16/22/2014"). This regulation which took effect on January 1, 2015 supersedes Bank Indonesia Regulation No. 14/21/PBI/2012 on Reporting on Foreign Exchange Reporting ("PBI 14/21/2012"). However, the implementing regulation of PBI 14/21/2012, the Bank Indonesia Circular Letter No. 15/16/DInt dated April 29, 2013 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt Realization and Position ("SEBI 15/16/DInt"), remains valid to the extent it does not contravene PBI 16/22/2014. Bank Indonesia has issued the following implementing regulations for PBI 16/22/2014: (i) the Bank Indonesia Circular Letter No. 17/4/DSta dated March 6, 2015 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt Plan and the Amendment thereto ("SEBI 17/4/DSta") which supersedes Bank Indonesia Circular Letter No. 15/17/DInt dated April 29, 2013; (ii) Bank Indonesia Circular No. 17/3/DSta dated March 6, 2015 on the Reporting of the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt as amended by Bank Indonesia Circular No. 17/24/DSta dated

October 12, 2015 (“SEBI 17/3/DSta”); and (iii) the Bank Indonesia Circular Letter No. 17/26/DSta dated October 15, 2015 on the Reporting on Foreign Exchange Activities other than Offshore Debt (“SEBI 17/26/DSta”), which supersedes Bank Indonesia Circular Letter No. 15/5/DSM dated March 7, 2013.

PBI 16/22/2014 requires all Indonesian residents, whether individuals or entities, who engage in foreign exchange activities to report: (i) any trading of goods, services or other transaction between an Indonesian resident and a non-resident, (ii) any offshore financial asset or offshore financial liabilities and any change thereto, and/or (iii) offshore debt plan and its realization to Bank Indonesia. The report on foreign exchange activities must be submitted using an online system in accordance with each of the implementing regulations of PBI 16/22/2014, as applicable, namely SEBI 17/26/DSta, SEBI 15/16/DInt, SEBI 17/4/DSta and SEBI 17/3/DSta.

Pursuant to SEBI 17/26/DSta, the following reports must be submitted to Bank Indonesia: (i) a report on trading transactions of goods, services, and other transactions between Indonesian residents and non-residents, (ii) a report on positions held and changes to offshore financial assets, (iii) a report on positions held and changes to equity of non-residents and other related obligations, (iv) a report on positions held and changes to offshore derivative obligations, (v) a report on positions held in offshore contingencies and commitments, and (vi) a report on positions held in securities owned by custodian customers. The report specified in (v) covers corporate guarantees, and any corporate guarantee given to a foreign lender must be reported to Bank Indonesia. Such reports and/or corrections of such reports (if any) are to be submitted through Bank Indonesia’s website in a format that is specified under SEBI 17/26/DSta.

According to SEBI 15/16/DInt, except for clearing accounts, savings and deposits and two-step loans incurred by the Government (which refer to loans made by international financial institutions that are distributed to Indonesian commercial and rural banks through Bank Indonesia to support the Government’s programs), any individual or entity that obtains offshore debt in a foreign currency or Rupiah pursuant to loan agreements, debt securities, trade credits or other loans must submit reports to Bank Indonesia. There is no minimum amount requirement to trigger the reporting obligation with regard to offshore debt obtained by an entity (whether a financial or non-financial institution). In contrast, an individual’s offshore debt is required to be reported only if such debt exceeds U.S.\$200,000 or its equivalent in any other currency. The reports consist of the main data report, the monthly recapitulation data report and amendments thereto. The main data report must be submitted to Bank Indonesia by no later than the 15th day of the following month at 14:00 Western Indonesia time after the signing of the loan agreement, the issuance of the debt securities, the debt acknowledgment over the trade credits or other loans. The monthly recapitulation data report must be submitted to Bank Indonesia by no later than 15th day of every following month at 24:00 Western Indonesia time, until the offshore debt has been repaid in full.

According to SEBI 17/4/DSta, a company that intends to obtain an offshore debt, with a tenor of more than one year, is required to submit a report on its offshore debt plans to Bank Indonesia through an online system by no later than March 15th of the respective year while any changes thereto must be submitted through an online system by July 1st of the respective year at the latest as set forth in SEBI 17/4/DSta.

In addition to reporting on foreign exchange activities, for the purpose of PBI 16/21/2014 (as defined below), PBI 16/22/2014 also requires reporting on the implementation of Prudential Principles. Under SEBI 17/3/DSta, non-bank corporations must submit:

- (1) the prudential principle implementation activity report (“KPPK report”): (i) a non-attested KPPK report, which is to be submitted on quarterly basis, no later than the end of the third month after the end of the relevant quarter; and (ii) an attested KPPK report (attested by a public accountant), which is to be submitted no later than the end of June of the following year;

- (2) information on the fulfillment of credit ratings, which is to be submitted at the latest at the end of the month following the execution or issuance of the offshore debt; and
- (3) the financial statements of the company, consisting of: (i) unaudited financial statements, to be submitted on quarterly basis, by no later than the end of the third month after the end of the relevant quarter; and (ii) annual audited financial statements, which must be submitted by no later than the end of June of the following year.

Bank Indonesia examines the accuracy of the foreign exchange activities report and KPPK report. It can also request clarifications, evidence, records or other supporting documents from the relevant party or institutions, including direct inspection of the company or appoint a third party to do so.

As of January 1, 2016, submissions of and corrections to the KPPK report must be made online. The requirement to submit credit ratings only applies to offshore debt executed or issued as of January 1, 2016.

On May 14, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on Foreign Exchange Export Revenue and Drawdown of Offshore Debt which was amended by Bank Indonesia Regulation No. 17/23/PBI/2015 on December 23, 2015 (“PBI 16/10/2014”). On April 6, 2016, Bank Indonesia issued Bank Indonesia Circular Letter No. 18/5/DStA on the Receipt of Offshore Debt as the implementing regulation for PBI 16/10/2014. Based on PBI 16/10/2014, any drawdown from offshore debt (in foreign currencies) originating from: (i) a non-revolving loan agreement (including offshore debt originating from a difference between the refinanced debt and the previous debt) or (ii) offshore debt securities (including acknowledgements of debt which is tradable in domestic or international financial and capital markets in the form of, among others, bonds, medium term notes, floating rate notes, promissory notes and commercial paper) must be withdrawn through foreign exchange banks (which include offshore bank branches in Indonesia) and must be reported to Bank Indonesia with the relevant supporting documents. The aggregate face amount of the offshore debt should be equal to the local commitments provided under such debt and every receipt of offshore debt through a foreign exchange bank should be equal to each offshore debt withdrawal. In the event that the aggregate face amount of the offshore debt is less than the local commitments in excess of Rp.50,000,000 (or its equivalent in foreign currencies), the borrower must submit a written explanation and sufficient supporting documentation to Bank Indonesia before the expiration of the term of such debt. In the event that the amount of offshore debt received through the foreign exchange bank is less the amount of each offshore debt withdrawal, such of offshore debt received through the foreign exchange bank will be deemed to be equal to the amount of each offshore debt withdrawal only if the borrower submits sufficient supporting documents to Bank Indonesia. Withdrawals of such offshore debt must be reported to Bank Indonesia monthly using the recapitulation data report as regulated under SEBI 15/16/DInt. These reports shall include supporting documents detailing that the receipt of offshore debt was withdrawn from the foreign exchange bank. Administrative sanctions will be imposed on companies that fail to comply with such reporting obligations.

With respect to the foregoing reporting obligations to Bank Indonesia, the sanction that may be imposed by Bank Indonesia is as follows:

- (1) any delay or failure to submit foreign exchange report on offshore debt plan may result in an administrative sanction in the form of a warning letter and/or notification to the relevant authority or institution which will be set by Bank Indonesia;
- (2) any omission or inaccuracy on a foreign exchange report (except for in the offshore debt plan) which is not corrected is an administrative sanction in the form of penalty at the amount of Rp.50,000 per omission or inaccuracy, provided that the maximum amount of penalty imposed will not exceed Rp.10,000,000;
- (3) any incompleteness or inaccuracy of information on the KPPK report, may result in a penalty of Rp.500,000 per incompleteness or inaccuracy;

- (4) any delay to submit the foreign exchange report (except for offshore debt plan) or the KPPK report, including any supporting documents or financial statements (except for information on credit rating), may result in a penalty of Rp.500,000 per day of delay, provided that the maximum amount of penalty imposed will not exceed Rp.5,000,000;
- (5) any failure to submit the foreign exchange report (except for offshore debt plan) or the KPPK report, including any supporting documents or financial statements (except for information on credit rating), may result in a penalty of Rp.10,000,000;
- (6) in addition to the penalties above a warning letter or notification to the relevant authority or institution will be issued by Bank Indonesia for any delay or failure to submit the KPPK report, including its supporting documents and financial statements;
- (7) any delay or failure to submit information regarding a credit rating may result in a warning letter or notification to the relevant authority or institution from Bank Indonesia; and
- (8) any failure to comply with the obligation to withdraw the offshore debt through a foreign exchange bank in Indonesia may result in a penalty of 0.25% of the withdrawal amount which does not pass through the foreign exchange bank in Indonesia, provided that the maximum amount of penalty imposed will not exceed Rp.50,000,000.

Please note that the sanctions imposed by Bank Indonesia listed above have been effective since the third quarter data report of 2015, except for the sanctions with respect to credit ratings which have been effective since January 1, 2016.

Related to these reporting requirements under PBI 16/22/2014, Bank Indonesia Regulation No. 16/21/PBI/2014 which was issued by Bank Indonesia on December 29, 2014, namely on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated April 21, 2016 ("PBI 16/21/2014"), which is applicable to non-bank corporations that obtain offshore debt in a foreign currency (non-Indonesian Rupiah). PBI 16/21/2014, and for the implementation of PBI 16/21/2014, Bank Indonesia also issued: (i) Bank Indonesia Circular Letter No. 16/24/DKEM dated December 30, 2014, as amended by Bank Indonesia Circular Letter No. 17/18/DKEM dated June 30, 2015 ("SEBI 16/24/DKEM") and Bank Indonesia Circular Letter No. 18/6/DKEM dated April 22, 2016, and (ii) SEBI 17/3/DSta.

PBI 16/21/2014 requires non-bank corporations that have offshore debt in a foreign currency (non-Indonesian Rupiah) to maintain the following prudential principles: (i) minimum hedging requirements, (ii) minimum liquidity requirements, and (iii) minimum credit ratings. The hedging requirements do not apply to nonbank corporations whose financial statements are presented in United States dollars and who fulfill the following criteria: (i) an export revenue to business revenue ratio of more than 50% in the previous calendar year, and (ii) approval from the Ministry of Finance to use United States dollars in their financial statements, which approval shall be evidenced by submitting supporting documents to Bank Indonesia.

The minimum hedging requirement is applied with a two-stage approach to avoid unnecessary difficulties for corporations having existing offshore debt. Until December 31, 2015, the minimum hedging ratio was set at 20% of: (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter, and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter. After December 31, 2015, the minimum hedging ratio is set at 25% of: (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter.

Foreign currency assets comprise cash, demand deposits, regular deposits, term deposits, account receivables, inventories, marketable securities and receivables from forwards, swaps or options transactions in a foreign currency (non-Indonesian Rupiah) calculated based on the position at the end of the relevant quarter. The account receivables which are calculated as foreign currency assets are account receivables to residents and non-residents which will be due: (a) within three months from the end of the relevant quarter or (b) in the period of more than three months up to six months after the end of the relevant quarter, that are true-sale in nature or non-refundable and after deducted for amortization. Accounts receivable are calculated as foreign currency assets if the underlying agreement was executed prior to July 1, 2015. Account receivables with an underlying agreement executed after July 1, 2015 are counted as foreign exchange assets if: (a) they are related to strategic infrastructure projects and have obtained Bank Indonesia approval; or (b) the transaction which underlies the foreign currency assets is permitted to be in foreign currency pursuant to Bank Indonesia Regulation No. 17/3/PBI/2015 on the Mandatory Use of Rupiah in the territory of the Republic of Indonesia (“PBI 17/3/2015”). Inventory which may be calculated as a foreign currency asset is inventory from exporters with export income to business revenue ratio of more than 50% in the previous calendar year.

SEBI 16/24/DKEM defines foreign currency liabilities as liabilities in a foreign currency to residents or non-residents, including liabilities deriving from forwards, swaps or options transactions maturing: (a) within three months from the end of the relevant quarter; or (b) between three and six months from the end of the relevant quarter. A foreign currency liability is not calculated as a foreign currency liability if (a) it is in the process of a roll over, revolving, or a refinancing, to the extent the transaction which underlies it is in accordance with PBI 17/3/2015; (b) it constitutes a foreign currency liability with respect to project financing which will be due within the next 6 months to the extent secured by an offshore debt drawdown in foreign currency where the schedule of such drawdown is liabilities and the transaction activities are in accordance with PBI 17/3/2015. These two points must be proven by sufficient supporting documentation. SEBI 16/24/DKEM determines that only corporations that have negative difference of more than U.S.\$100,000 are obliged to fulfill the minimum hedging requirement. In addition, PBI 16/21/2014 also stipulates that hedging transactions for the fulfillment of the minimum hedging requirement shall be conducted with banks in Indonesia and shall become effective in 2017.

On the minimum liquidity requirement, non-bank corporations that have offshore debt in a foreign currency are also required to comply with the minimum liquidity ratio of at least 70% by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter. The minimum liquidity ratio of 70% was effective on January 1, 2016, while the applicable minimum liquidity ratio in 2015 was 50%.

The minimum credit rating requirement is required to be maintained at BB- (BB minus) or its equivalent from a particular rating agency recognized by Bank Indonesia. Such credit rating will be for both the relevant corporation (issuer rating) and any bonds (issue rating) in accordance with the type and period of such foreign currency offshore debt. Such rating shall be valid for two years as of the rating issuance. PBI 16/21/2014 sets additional provisions where corporations may use their parent company credit rating if: (i) such corporation enters into offshore debt in foreign currency with its parent company, or if the offshore debt is guaranteed by the parent company, or (ii) such corporation is a newly established corporation with a maximum three years since the corporation began commercial operation. The requirement to fulfill the minimum credit rating requirement is exempted for: (i) the refinancing of offshore debt in foreign currency (such exemption is limited to refinancing which does not increase the outstanding amount of the previous debt or if it increases, such increase shall not exceed (a) U.S.\$2,000,000 or its equivalent or (b) 5% of the amount outstanding of such refinanced debt if such 5% figure is higher than U.S.\$2,000,000 or its equivalent); (ii) offshore debt in foreign currency for infrastructure project financing derived (a) all from an international bilateral/multilateral lending agency or (b) from a syndicated loan where more than 50% of the contribution comes from international bilateral/multilateral institutions; (iii) offshore debt in a foreign currency for a central or regional government infrastructure project financing; (iv) offshore debt in a foreign currency which is secured by international bilateral/multilateral institutions; (v) offshore debt

in foreign currency in the form of trade credits; (vi) offshore debt in foreign currency in form of other loans; (vii) offshore debt in a foreign currency entered into by a finance company (a business entity which conducts financing activities for the procurement of goods and services) to the extent (a) such finance company has a minimum financial soundness of “healthy” as lastly issued by OJK; (b) such finance company fulfils the maximum gearing ratio as regulated by OJK; or (viii) offshore debt in a foreign currency by Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank). Non-bank corporations that have offshore debt in a foreign currency are obliged to submit report to Bank Indonesia on the implementation of prudential principles and any exemptions, together with the relevant supporting documents. Bank Indonesia will monitor for compliance and may impose administrative sanctions in the form of warning letters for any failure to comply with the said three prudential criteria. PBI 16/21/2014 does not specify any other sanction in the event the non-bank corporations ignore such warning letter, however Bank Indonesia may inform related parties, such as relevant offshore creditors, the Ministry of State-Owned Companies (for state-owned non-bank corporation), the Ministry of Finance on behalf of Directorate General of Tax, OJK and the Indonesian Stock Exchange (for publicly listed non-bank corporation) on the implementation of administrative sanctions. PBI 16/21/2014 became effective as of January 1, 2015, with exceptions for the implementation of: (i) the administrative sanction requirement, which became effective starting from the delivery of the fourth quarter report of 2015, and (ii) the minimum credit rating requirement, which applies to offshore debt that is signed or issued on or after January 1, 2016.

LANGUAGE OF TRANSACTION DOCUMENTS

Pursuant to Law No. 24 of 2009 regarding Flag, Language, Coat of Arms and National Anthem enacted on July 9, 2009 (“Law 24/2009”), agreements to which Indonesian entities are a party must be executed in Bahasa Indonesia, although dual language documents are permitted when a foreign entity is a party provided that the agreement in the foreign language and the agreement in Bahasa Indonesia are equally authoritative. We agree, at our own costs, to procure and execute the bilingual versions of the Indenture and the Program Agreement (the “Transaction Documents”). In the event of any conflict between the English version and the Bahasa Indonesia version, to the extent permitted by law, the English version will prevail, and the Bahasa Indonesia version will be deemed as and read as amended to conform with the provisions of the English version. Some concepts in English may not have corresponding terms in Bahasa Indonesia and thus the exact meaning of the English version may not be fully captured by the Bahasa Indonesia version. If this occurs, we cannot assure you that the terms of the Notes, the Transaction Documents, will be as described in this Offering Memorandum or will be interpreted and enforced by the Indonesian courts as described in this Offering Memorandum. There exists substantial uncertainty regarding how Law 24/2009 will be interpreted and applied, and it is not certain whether an Indonesian court would permit the English version of the Transaction Documents to prevail or even consider the English version. Article 40 of Law 24/2009 states that the use of Bahasa Indonesia shall be regulated by implementing regulations which should have been issued by July 2011. On July 7, 2014, the Government issued an implementing regulation (“Government Regulation 57/2014”) to give effect to certain provisions of Law No. 24/2009. Government Regulation No. 57/2014 focuses on the promotion and protection of the Indonesian language and literature and, while it is silent on the question of contractual language, it does serve as a reminder that contracts involving Indonesian parties must be executed in Bahasa Indonesia (although versions in other languages are also permitted). In addition to this implementing regulation, the Minister of State-Owned Enterprises has also issued a Circular Letter No. SE-12/MBU/2009 dated November 3, 2009, which recommends that any state-owned enterprise must use Bahasa Indonesia in every memorandum of understanding or agreement to which such state-owned enterprise is a party. The Indonesian Ministry of Law and Human Rights (“MOLHR”) issued a clarification letter No. M.HH.UM.01.01-35 TAHUN 2009 dated December 28, 2009 regarding Clarification for Implication and Implementation of Law No. 24/2009 to clarify that the implementation of Law No. 24/2009 is contingent upon the enactment of a Presidential Regulation and until such a Presidential Regulation is enacted, any agreement that is executed prior to the enactment of the Presidential Regulation in English without a Bahasa Indonesia version, is still legal and valid, and shall not violate Law No. 24/2009. However, this letter was issued only as an opinion and does not fall within the types and hierarchy as stipulated in Article 7 of Law No. 12/2011 regarding the Formation of Laws and Regulations to be considered as a law or regulation and therefore has no legal force and we cannot be certain that an Indonesian court would permit the English version to prevail or even consider the English version.

On June 20, 2013, the District Court of West Jakarta ruled in a decision No. 451/Pdt.G/ 2012/PN.Jkt Bar that a loan agreement entered into between an Indonesian borrower, PT Bangun Karya Pratama Lestari, as plaintiff, and a non-Indonesian lender, Nine AM Ltd., as defendant, is null and void under Indonesian law. The governing law of the loan agreement was Indonesian law and the agreement was written in the English language. The court ruled that the agreement had contravened Law No. 24/2009 and declared it to be invalid and was void from the outset, meaning that a valid and binding agreement had never existed. The decision of No. 451/Pdt.G/ 2012/PN.Jkt Bar Appeal was decided in favor of the plaintiff in Decision No. 48/PDT/2014/PT.DKI dated February 12, 2014 and, on August 31, 2015, the Supreme Court on the case registered No. 601 K/PDT/2015 affirmed a decision of the Jakarta High Court. On August 31, 2015, the Supreme Court affirmation on the case registered No. 601 K/PDT/2015 resulting every agreement that falls under the provisions of Law No. 24/2009 must be executed in Bahasa Indonesia (although versions in other languages are also permitted). See “*Risk Factors — Risks Relating to Indonesia — Agreements related to our business or to the Notes may be required to be prepared and executed in Bahasa Indonesia and the rights of the respective parties may ultimately be governed by the Bahasa Indonesia version of the documents.*”

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SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. This summary is qualified by, and must be read in conjunction with, the more detailed information and the historical consolidated financial statements appearing elsewhere in this Offering Memorandum. We urge you to read this entire Offering Memorandum carefully, including our consolidated financial statements and related notes, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

We are Indonesia’s state-owned electric utility company and are wholly-owned by the Government, which is represented by the Ministry of State-Owned Enterprises. We provide most of the public electricity and electricity infrastructure in Indonesia, including construction of power plants, power generation, transmission, distribution and retail sales of electricity. We are the largest electricity producer in Indonesia, and as of December 31, 2017 had a power generation capacity of approximately 42,656 MW (excluding power generation capacities of IPPs with which we have entered into IPP Power Supply Contracts) that accounted for over 76% of the total installed generation capacity in Indonesia of 55,926 MW and served approximately 68.1 million customers. As of December 31, 2017, we owned and operated 1,656 electricity generating plants comprising 6,221 electricity generating units in Indonesia, including fuel oil-fired, natural gas-fired, coal-fired, geothermal and hydroelectric plants. We also purchase almost all of the electricity produced in Indonesia by IPPs, which are private companies that own electricity generating plants. As of December 31, 2017, we have entered into 61 material IPP Power Supply Contracts with IPPs operating in Indonesia with an aggregate contractual capacity of 10,996 MW.

The following map shows a breakdown of our total installed power generation portfolio (including power generating units of IPPs) based on location and type of power generating unit as at December 31, 2017.

Generation Network



We operate eight main grids in Java-Bali, North Sumatra, South Sumatra, West Kalimantan, Central Kalimantan, East Kalimantan, North Sulawesi and South Sulawesi, which are the most populated regions in Indonesia. Approximately 58.2% of the total population of Indonesia (approximately 152.4 million people) live on Java and Bali, and the region accounted for approximately 64% of our total customers’ power consumption in 2017. As of December 31, 2017, we controlled approximately 48,901 kilometers-circuits of transmission lines and approximately 1,028,679 kilometers-circuits of distribution lines.

Our charges for electricity are based on electricity tariff rates which are set by the Government and regulated by MEMR Regulation No. 28/2016 Electricity Selling Price of PT Perusahaan Listrik Negara (Persero), as amended by MEMR Regulation No. 18/2017 and MEMR Regulation No. 41/2017 (“MEMR Regulation No. 28/2016”). See *“Regulation of the Indonesian Electricity Sector.”*

There are four types of charges that we can levy on our customers: (i) demand charge; (ii) variable energy charge; (iii) minimum payment; and (iv) special service tariff. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview.”*

The tariff rates set by the Government have, for some time, been inadequate to cover our cost of producing the electricity we sell for certain residential customers whose tariff rates are set at levels below our costs of producing the electricity. However, because we perform a PSO within the meaning of Law No. 19/2003, the Government is obligated to subsidize us for the difference between our cost to produce the electricity we sell and the price we are permitted to charge for that electricity under the tariff rates set by the Government. The subsidy mechanism is defined in the Minister of Finance Regulation No. 44/PMK.02/2017 as amended by the Minister of Finance Regulation No. 162/PMK.02/2017. See *“Relationship with the Government”* and *“Regulation of the Indonesian Electricity Sector.”*

In order to reduce our reliance on fuel oil, and pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, the Government introduced an infrastructure development program (the “Fast Track Program I”) which originally mandated us to build coal-fired electricity generating plants at 40 locations in Indonesia, including ten plants with an aggregate capacity of 6,900 MW in Java-Bali and 30 plants with an aggregate capacity of 2,022 MW outside Java-Bali. The Fast Track Program I was subsequently amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014, and Presidential Regulation No. 193/2014 which increased the mandate to 42 locations, including ten plants with an aggregate capacity of 7,490 MW in Java-Bali and 32 plants with an aggregate capacity of 2,437 MW outside Java-Bali. The latest amendment in 2014 revised capacity for the Riau Project and made an appeal to the ministers, heads of non-ministerial government agencies, governors and regents or mayors to provide support in accelerating the process of permit and environmental document approvals, land acquisition and acquisition and compensation for transmission lines. Two of the 42 originally mandated locations have been combined into one location, three locations have since been terminated due to difficulties involving conditions of the sites and EPC contractors, and four locations have been reserved for future development, resulting in 34 locations with active development for 9,927 MW under the Fast Track Program I. As of December 31, 2017, we have completed construction of generating plants at 27 out of the 34 planned locations and aggregate capacity of 9,640 MW were in operation, equal to approximately 97% of the total planned capacity of 9,927 MW. The other seven locations representing approximately 3% of total capacity (287 MW) are expected to begin operations in 2018 (177 MW) and 2019 (110 MW), respectively. The generating plants under the Fast Track Program I that completed in 2017 became operational five years later than originally planned due to issues relating to availability of land and the performance of contractors. See *“Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program”* and *“— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.”*

Pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014, and supplemented by MEMR Regulation No. 15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014, the Government subsequently mandated us in the second phase of this development program (the “Fast Track Program II,” and together with the Fast Track Program I, the “Fast Track Programs”) to procure 17,428 MW of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia beyond that provided by

completion of the Fast Track Program I above. Similar to the Fast Track Program I, Presidential Regulation No. 194/2014 aimed to provide support for accelerating the approval process for obtaining permit and environmental documents, land acquisition and acquisition and compensation for transmission lines. The private sector has been invited to participate in electricity development under the Fast Track Program II as IPPs are responsible for providing approximately 11,629 MW of energy mandated to be procured. As of December 31, 2017, of the 17,428 MW total planned capacity under the Fast Track Program II, eight Fast Track Program II projects (including IPPs) comprising a total capacity of 755 MW, or approximately 4% of the total planned capacity of 17,428 MW, were in operation; 5,836 MW (or 33.5% of the total planned capacity of 17,428 MW) were at the construction stage; 3,325 MW (or 19.1% of the total planned capacity of 17,428 MW) were at the financial close stage; and 7,507 MW (or 43.1% of the total planned capacity of 17,428 MW) were at the planning and procurement stage. We are currently in various stages of planning and negotiation of the engineering, procurement and construction (“EPC”) contracts in relation to the remaining mandated locations. The Government has formally extended the original completion year for the Fast Track Program II from 2014 to 2025. The Fast Track Programs are likely to result in the development of 108 plants with a total capacity of approximately 27,355 MW in order to reduce our reliance on fuel oil and the Government’s subsidy burden, and to meet rising electricity demand in Indonesia. See “*Relationship with the Government — Government as Customer — The Fast Track Programs*” and “*Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program*” and “*— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.*”

Our total revenues, income for the year and Adjusted EBITDA were Rp.255,295 billion (U.S.\$18,844 million), Rp.4,428 billion (U.S.\$327 million) and Rp.56,590 billion (U.S.\$4,177 million), respectively, for the year ended December 31, 2017. The volume of electricity we transmitted and distributed in 2017 increased by 3.3% to 223,134 GWh from 216,004 GWh in 2016. From 2011 through 2017, our cumulative average annual increase in volume of electricity transmitted and distributed was 5.5%. In the year ended December 31, 2017, we achieved an average outage duration for each customer served (“SAIDI”) and an average number of interruptions that a customer would experience (“SAIFI”) of 19.3 hours per consumer per year and 12.7 interruptions per consumer per year, respectively. On September 23, 2009, the Government issued Law No. 30 of 2009 on Electricity (the “New Electricity Law”), which may materially affect the electricity supply and supporting businesses in Indonesia, including our Company and, as the implementation of the New Electricity Law, the Government issued Government Regulation No. 14/2012 dated January 24, 2012, which was amended further by Government Regulation No. 23/2014 dated April 14, 2014. For a more detailed description of this New Electricity Law and its potential impact, see “*Regulation of the Indonesian Electricity Sector — Regulation*” and “*Risk Factors — Risks Relating to our Business and Operations.*”

Our corporate offices are located at Jalan Trunojoyo Blok M 1/135, Kebayoran Baru Jakarta Selatan, Indonesia.

Business Strengths

Our Company performs strategic functions that are integral to the development of the economy and the electricity sector of Indonesia. Below is a summary of our key business strengths:

Strong relationship with the Government

We are wholly-owned by the Government which is represented by the Ministry of State-Owned Enterprises. We believe that the Government is committed to our financial soundness as part of its objective to ensure a stable electricity supply in Indonesia. As part of the Government support, the Government provides us with electricity subsidies since we perform a PSO within the meaning of Law No. 19/2003.

Dominant provider of electricity in Indonesia's fast-growing electricity market

We are the dominant provider of electricity in Indonesia's growing electricity market. By regulation, we were the sole provider for the transmission and distribution of electricity in Indonesia and we had over 76.3% of the total installed generation capacity in Indonesia as of December 31, 2017.

Further, we believe that the Indonesian electricity demand is closely linked to the country's economic growth and that the demand for electricity in Indonesia will continue to grow. We believe Indonesia offers significant potential for growth in the electricity sector. As such, the Government has projected in its expansion plan report in 2018, the National Electricity Business Plan (RUPTL) 2018-2027 published on March 13, 2018, that total electricity demand will more than double between 2018 and 2027. As the major provider of electricity in Indonesia, we expect to benefit from such growth.

Focus on improving our operating efficiency and reducing our costs

Over the last few years, we have focused on improving our operating efficiency and reducing our costs. Our transmission and distribution losses remained relatively constant at 9.8% in 2015, 9.5% in 2016, and 8.8% in 2017. Through the introduction and implementation of a new prepayment system and online payment technology, we have improved our customer collection mechanism. We also improved network reliability by implementing a program to address illegal street lights and energy consumption control to reduce network loss figures. We continue to reduce our reliance on fuel oil, diversifying our energy mix to lower marginal cost of fuel and our operating expense.

Experienced Board of Directors, Board of Commissioners and management team

Most of the members of our Board of Directors each have over 25 years of experience in the electricity sector. We believe our management team has complementary skill sets and a strong understanding of the local electricity market. The members of our Board of Commissioners are well respected and have been appointed by the Ministry of State-Owned Enterprises, with several of them having strong ties with the Government.

Stable financial profile

We believe we have a stable financial profile based on our Adjusted EBITDA to Financial Cost, relatively modest Total Borrowings to Equity Ratio and the state of our consolidated statement of financial position. For the year ended December 31, 2016, our Adjusted EBITDA to Financial Cost (non-GAAP) measure was 2.97 and our Total Borrowings to Equity Ratio (non-GAAP) measure was 23.80%. For the year ended December 31, 2017, our Adjusted EBITDA to Financial Cost (non-GAAP) measure was 3.05 and our Total Borrowings to Equity Ratio (non-GAAP) measure was 26.7%.

In addition, please note that our Adjusted EBITDA refers to our operating income plus depreciation expense, amortization expense and actuarial employee benefit expense — net of payments made during the period. Adjusted EBITDA and Adjusted EBITDA margin presented in this Offering Memorandum are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indonesian GAAP/IFAS or U.S. GAAP. For further information on the computation of our Adjusted EBITDA and other non-GAAP measures, please see "*Non-GAAP Financial Measures.*"

Strategy

Below is a summary of our strategic objectives:

Successful implementation of the 35,000 MW Program

The 35,000 MW Program is a shared program between PLN and different IPPs to construct plants, transmissions and substations at over 302 locations across Indonesia (consisting of 108 locations in Sumatra, 44 locations in Java, 37 locations in Sulawesi, 34 locations in Kalimantan and 79 locations in the eastern part of Indonesia) pursuant to Presidential Regulation No. 4/2016, as amended by Presidential Regulation No. 14/2017, promulgated to increase the pace of development of electrification infrastructure in an effort to fulfill Indonesia's demand for electricity and stimulate economic growth.

For plant construction, we plan to use EPC schemes for projects owned by PLN. We will be responsible for costs and activities involved with planning, funding, acquiring land and operating plants through the use of the EPC scheme and potentially a full turnkey contract scheme, in which the EPC contractor is paid on a progress-payment basis as calculated based on goods delivered to PLN on site, or use of a project management consultant and different risk allocation procedures will be in place depending on the priority and nature of each project. Substation and transmission construction will be executed by appointment of contractors using the EPC scheme. The build-operate-transfer scheme in which private contractors construct, fund and operate the transmission and costs are returned by PLN over an agreed time period will be used to minimize risks.

As of December 31, 2017, approximately 4% of the 35,000 MW Program's construction was completed (mainly in Sulawesi and Sumatra region), 48% was under construction (mainly in Java, Bali and Sumatra), 35% was yet to be constructed (mainly in Java, Bali and Sumatra), 8% was still in the tendering process (mainly in Sumatra, Sulawesi, and Java-Bali) and 5% was still under planning (mainly in Sumatra). Out of the 8,911 MW that we are solely responsible for, 5% is completed, 63% is under construction, 17% is still in the tendering process and 14% is still under planning. In early 2018, the Government adjusted the 35,000 MW Program's completion date to 2024, five years later than originally planned, in order to account for less-than-expected electricity demand. Considering investments required for implementing the 35,000 MW Program, we will seek to obtain financing from capital markets or financial institutions while strengthening our capital structure to maintain sound financial ratios. See "*Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program*" and "*— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.*"

Successful implementation of the Fast Track Programs

The Government has mandated us to accelerate the development of coal-fired electricity generating capacity in Indonesia through the Fast Track Program I. In addition, the Government has mandated us to procure 17,428 MW (including power generation capacities of IPPs) of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia through the Fast Track Program II. The Fast Track Programs are expected to result in the development of 108 plants with a total capacity of approximately 27,355 MW in order to reduce our reliance on fuel oil and the Government's subsidy burden and meet rising electricity demand in Indonesia.

Continue our efforts to raise the electricity tariffs we charge our customers in order to reduce our reliance on Government electricity subsidies

The Government raised electricity tariffs by an average of 10.0% with effect from July 2010 and by an average of 15.0% in 2013 with the increases being effected on a quarterly basis based on MEMR Regulation No. 30/2012 (which was later replaced by MEMR Regulation No. 28/2016). However, the difference between the electricity tariffs we are able to charge our customers and our operating costs remain substantial. In addition, several of our customers are currently provided with electricity at subsidized rates while the majority of our remaining customers are taking advantage of automatic tariff adjustments.

We intend to continue to seek to raise the electricity tariffs we charge our customers to make our business profitable and reduce our reliance on Government electricity subsidies through our initiative to encourage business-to-business electricity sale at market rates and the implementation of regional electricity tariffs. We will continue to request subsidies from the Government when average selling prices are under our costs of electricity provision and raise funds to support our investment programs.

Focus on reducing our operating costs

We intend to reduce operating costs by:

- reducing our reliance on fuel oil-based generation and increasing our reliance on coal-based generation as part of the Fast Track Programs. In comparison to other types of fuel, Indonesia has an abundant supply of coal which is a significantly cheaper source of fuel. This strategy is also intended to meet the growing demand from our existing and new customers by developing new electricity generating plants and transmission and distribution facilities that are cost-effective as part of the Fast Track Programs;
- reducing generation costs through supply side management, which involves buying excess capacity from captive non-fuel oil generators during peak load hours, shutting down certain generating units during low-demand periods and shutting down certain fuel oil-fired generating units during weekends;
- reducing the cost of coal delivery through setting up three delivery zones in Sumatra, central Indonesia and eastern Indonesia to transport the coal to the power plants, based on the location of the relevant mine. The coal for power plants in Sumatra will be supplied from Sumatra island minings; central Indonesia will be supplied by Sumatra and South Kalimantan minings; and eastern Indonesia will be supplied from East and Central Kalimantan minings; and
- reducing the cost of production for gas fired power plants through setting up the gas supply zoning system which considers the distances from the gas sources to the power plants. We have now set up eight gas supply zones covering Northern Sumatra, Southern Sumatra, Western Kalimantan, South Kalimantan, Eastern Kalimantan, Southern Sulawesi, Nusa Tenggara, and Maluku-Papua with eight hub supply points, being Krueng Nias, FSRU Belawan, Bangka Belitung — Pontianak (Babel-Ponti), LNG Terminal Western Java, LNG Terminal Eastern Java, Central Indonesia, FSRU Gorontalo, and Maluku-Papua to supply the power plants in Indonesia. The gas power plant in Northern Sumatra will be supplied from Krueng Nias and FSRU Belawan; Southern Sumatra and Western Kalimantan will be supplied from Babel Ponti; all of South Kalimantan, Eastern Kalimantan and Southern Sulawesi will be supplied from Central Java; Nusa Tenggara will be supplied from Central Java; and Maluku-Papua will be supplied from LNG Tangguh. We already own and operate four gas facilities: FSRU Belawan, LNG Terminal Western Java, LNG Terminal Eastern Java and FSRU Gorontalo. We are currently conducting a feasibility study and preparing the procurement of several gas facilities including an LNG storage facility, an LNG carrier, a regasification facility, a gas pipeline and a jetty. This aim of this strategy is to minimize the costs that we face under our take-or-pay arrangements for each gas power plant.

Introduce initiatives to improve the efficiency of our business operations

In order to improve our operating efficiency, we intend to further reduce network losses, improve our maintenance system, promote the prepaid metering system for our customers, improve our meter reading systems, improve generation production efficiency, improve our inventory turnover/cycle and decrease our collection period and are implementing an operational performance program in order to achieve these goals. We are also seeking to improve several other operating efficiency measures such as the equivalent forced outage rate, capacity factor and number of customers per employee. In addition, we intend to further improve our financial efficiency through cash pooling by implementing a centralized online payment of electricity bills using the P2APST (Centralized Management and Supervisory of Revenue) system.

OVERVIEW OF THE PROGRAM

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Offering Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Forms of the Notes” and “Description of the Notes” shall have the same meanings in this summary.

Under the Program, the Company may, from time to time, issue Notes denominated in U.S. dollars, Euros or in any other currency, subject to the terms more fully set forth herein. A summary of the terms and conditions of the Program and the Notes appears below. The applicable terms of any Notes will be agreed upon by and between the Company and the relevant Dealer(s) prior to the issue of the Notes and will be set forth in the Description of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “Forms of the Notes” below.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Forms of the Notes” and “Description of the Notes” shall have the same meanings in this summary.

Summary of the Program and Description of the Notes

Company:	Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara
Arrangers:	Citigroup Global Markets, Inc., The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited and Mandiri Securities Pte. Ltd.
Description:	Global Medium Term Note Program
Dealers:	Citigroup Global Markets, Inc., The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited, Mandiri Securities Pte. Ltd., Australia and New Zealand Banking Group Limited and BNP Paribas. The Company may terminate the appointment of any Dealer or appoint new dealers for a particular Series of Notes or for the Program.
Trustee:	Deutsche Bank Trust Company Americas
Paying Agent:	Deutsche Bank Trust Company Americas (for Notes denominated in U.S. dollars that are not Bearer Notes) and Deutsche Bank AG, Hong Kong Branch (for Notes not denominated in U.S. dollars or for Bearer Notes)
Registrar:	Deutsche Bank Trust Company Americas (for Notes denominated in U.S. dollars that are not Bearer Notes) and Deutsche Bank AG, Hong Kong Branch (for Notes not denominated in U.S. dollars)

Transfer Agent:	Deutsche Bank Trust Company Americas (for Notes denominated in U.S. dollars that are not Bearer Notes) and Deutsche Bank AG, Hong Kong Branch (for Notes not denominated in U.S. dollars or for Bearer Notes)
Program Size:	Up to U.S.\$5,000,000,000 (or its equivalent in any other currency (the “Program Limit”) in aggregate nominal amount of Notes outstanding at any one time). The Company may increase the amount of the Program Limit in accordance with the terms of the Program Agreement.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and their “Issue Price”), the Notes of each Series being intended to be fungible with all other Notes of that Series. Each Series may be issued in tranches (each, a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be specified in the pricing supplement (the “Pricing Supplement”).
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more installments. The price and amount of Notes to be issued under the Program will be determined by the Company and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
Form of Notes:	The Notes may be issued in bearer or registered form, as specified in the applicable Pricing Supplement. Certificates representing the Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “ <i>Global Securities</i> .”

Each Series of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on the Issue Date with a common depository for Euroclear, Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, upon request as described therein, for either interests in a Permanent Global Note or Definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) upon certification of non-U.S. beneficial ownership as required by United States Treasury regulations (“U.S. Treasury Regulations”). Interests in a Permanent Global Note will be exchangeable, unless otherwise specified in the applicable Pricing Supplement, only in the limited circumstances described therein, in whole but not in part for Definitive Bearer Notes, upon written notice to the Trustee. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or any other agreed clearance system, as appropriate.

Each Series of Registered Notes, which are sold outside the United States in reliance on Regulation S, will, unless otherwise specified in the applicable Pricing Supplement, be represented by an Unrestricted Global Security. Unrestricted Global Securities will be exchangeable for Certificated Securities only in the limited circumstances more fully described herein.

Any Series of Registered Notes sold in private transactions to QIBs and subject to the transfer restrictions described in “*Transfer Restrictions*” will, unless otherwise specified in the applicable Pricing Supplement, be represented by a Restricted Global Security. Persons holding beneficial interests in Registered Global Securities will be entitled or required, as the case may be, under the circumstances described in the Indenture, to receive physical delivery of Certificated Securities. Registered Notes initially offered and sold in the United States to institutional accredited investors pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions described in “*Transfer Restrictions*” will be issued only in definitive registered form and will not be represented by a Global Security. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes.

Registered Global Securities will be deposited with: (i) a custodian for, and registered in the name of a nominee of, the DTC for the accounts of its participants, including Euroclear and Clearstream, or (ii) a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, or (iii) other clearing system, in each case, as specified in the applicable Pricing Supplement.

Clearing Systems:	DTC, Clearstream, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Company and the relevant Dealer. See “ <i>Global Clearance and Settlement Systems.</i> ”
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Company and the relevant Dealer(s).
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity.
Specified Denomination:	Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be EUR100,000 (or its equivalent in any other currency as of the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as set out in the Description of the Notes and the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments in respect of Dual Currency Notes (other than Rupiah-Denominated U.S. Dollar Settled Notes) will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement. Payments in respect of Rupiah-Denominated U.S. Dollar Settled Notes will be made in accordance with the provisions set forth in Condition 3.3(c), unless otherwise specified in the Pricing Supplement.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Pricing Supplement.

Redemption:	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Installments:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more installments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Company (either in whole or in part) and/or the Holders, and if so the terms applicable to such redemption.
Redemption upon a Change of Control Triggering Event:	Unless otherwise stated in the relevant Pricing Supplement and unless the Notes are previously redeemed, repurchased and cancelled, the Company will, no later than 30 days following a Change of Control Triggering Event (as defined in the indenture governing the Notes), make a Change of Control Offer (as defined in the Notes of the relevant Series) all outstanding Notes of any Series at a purchase price of 101% of their principal amount, together with accrued and unpaid interest, if any.
Status of Notes:	The Notes will constitute direct, unsubordinated and unsecured obligations of the Company.
Certain Covenants:	Unless otherwise stated in the relevant Pricing Supplement, the Company will agree in the terms and conditions of the Notes of any Series to observe certain covenants, including, among other things: the incurrence of liens, mergers, acquisitions and disposals and certain other covenants. See “ <i>Description of the Notes.</i> ”
Events of Default:	Certain events will permit acceleration of the principal of the Notes (together with all interest and additional amounts accrued and unpaid thereon). These events include default with respect to the payment of principal of, premium, if any, or interest on, the Notes.
Ratings:	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Indonesia, subject to customary exceptions, all as described in “ <i>Description of the Notes — Taxation; Additional Amounts</i> ” and “ <i>Taxation.</i> ”
Selling Restrictions:	<p>The United States, Hong Kong, Singapore, Japan, Indonesia, European Economic Area, the Prohibition of Sales to EEA Retail Investors and the United Kingdom. See “<i>Subscription and Sale.</i>”</p> <p>Bearer Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Bearer Notes are issued in compliance with §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “C Rules”) or (ii) Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.</p>
Use of Proceeds:	We intend to use the proceeds from the issue of each Tranche of Notes to complete the Tender Offers (as defined below), partially fund our capital expenditure requirements and for general corporate purposes relating to the 35,000 MW Program or as set forth in the Pricing Supplement applicable to the Notes.
Tender Offers	Concurrently with the first drawdown under the Program, we are conducting conditional Tender Offers for any and all of our, or our, or as the case may be, our subsidiary’s Majapahit Holding B.V.’s, outstanding U.S.\$750,000,000 8.000% Guaranteed Notes due August 2019 (the “2019 Notes”), U.S.\$1,250,000,000 7.750% Guaranteed Notes due January 2020 (the “2020 Notes”) and, U.S.\$500,000,000 7.875% Guaranteed Notes due June 2037 (the “2037 Notes”). The 2019 Notes, 2020 Notes and 2037 Notes were issued by Majapahit Holding B.V. and irrevocably and unconditionally guaranteed by us.

Listing:

Application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, any Notes to be issued pursuant to the Program and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Company and the relevant Dealer in relation to each Series. If the application to the SGX-ST to list a particular Series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or equivalent in any other currency).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Global Note is exchanged for Definitive Notes. In addition, in the event that the Global Note is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

Application has been made to the London Stock Exchange for the Notes to be admitted to the ISM. The ISM is not a regulated market for the purposes of MiFID II.

Governing Law:

The Notes will be governed by, and construed in accordance with, the laws of the State of New York.

SUMMARY FINANCIAL INFORMATION

You should read the following discussion in conjunction with (i) the sections captioned “Presentation of Financial Information,” “Selected Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” (ii) our audited restated consolidated financial statements as of and for the year ended December 31, 2015, (iii) our audited restated consolidated financial statements as of and for the year ended December 31, 2016, and (iv) our audited consolidated financial statements as of and for the year ended December 31, 2017 (together with our audited restated consolidated financial statements as of and for each of the years ended December 31, 2015 and 2016, our “Consolidated Financial Statements”), and, in each case, the notes thereto, which are included elsewhere in this Offering Memorandum. Our consolidated financial statements as of and for the year ended December 31, 2015, were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) and our consolidated financial statements as of and for each of the years ended December 31, 2016 and 2017 were audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network), in each case in accordance with the Standards on Auditing established by the Indonesian Institute of Certified Public Accountants as stated in their reports included elsewhere in this Offering Memorandum.

Our consolidated financial statements as of and for the year ended December 31, 2015 have been prepared in accordance with IFAS, and our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 have been prepared in accordance with Indonesian GAAP included elsewhere in this Offering Memorandum and are presented in Rupiah, our reporting currency. Indonesian GAAP/IFAS differs in certain respects from accounting principles generally accepted in countries and jurisdictions other than Indonesia, including U.S. GAAP. In making an investment decision, you should rely upon your own examination of the terms of the Offering and the financial information included in this Offering Memorandum. You should consult your own financial advisors for an understanding of the differences between Indonesian GAAP/IFAS and other GAAP you may be more familiar with, including U.S. GAAP, and how these differences may affect the financial information included in this Offering Memorandum. For a discussion of certain differences between Indonesian GAAP/IFAS and U.S. GAAP, see “Summary of Certain Differences Between Indonesian GAAP/IFAS and U.S. GAAP.”

Solely for convenience, in this section certain amounts in Rupiah have been translated into U.S. dollar amounts. See “Exchange Rates” and “Presentation of Financial Information” for further detail.

Restatement of Prior Years’ Comparative Consolidated Financial Statements

Restatement of the consolidated financial statements as of and for the year ended December 31, 2016

On May 8, 2017, MEMR issued a letter relating to the realization of our electricity transmission losses, and on August 31, 2017, the Audit Board issued the August 2017 Audit Report. As a result of a change in the assumptions used for the calculation of losses as agreed between MEMR and the Audit Board, the August 2017 Audit Report determined that the correct amount of the electricity subsidy that we receive from the Government that we should recognize in our consolidated statement of profit and loss for 2016 was Rp.58,043 billion, and not Rp.60,442 billion as reported in our previously issued financial statements for 2016. As a result, we restated the line item “Government’s electricity subsidy” in the profit and loss statement in our consolidated financial statements for 2016 to Rp.58,043 billion, and made related adjustments to other items such as “Operating Income After Subsidy” and “Income for the Year”. As a result of this restatement, KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network) reissued an unmodified audit opinion dated January 8, 2018 on our restated consolidated financial statements for 2016. See Note 58 to our consolidated financial statements as of and for the year ended December 31, 2016. This change does not have any impact to our consolidated financial statements as of and for the year ended December 31, 2015.

Restatement of the consolidated financial statements as of and for the year ended December 31, 2015

Since January 1, 2012, we have applied the provisions of ISFAS 8. ISFAS 8 provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30. SFAS 30 provides guidance in determining whether an arrangement qualify as finance lease or operating lease.

During the preparation of our consolidated financial statements as of and for the year ended December 31, 2015, we reconsidered the applicable accounting treatment on our IPP Power Supply Contracts and we determined that our IPP Power Supply Contracts are not arrangements that are, or contain, leases based on ISFAS 8. Consequently, SFAS 30 was not applied to our IPP Power Supply Contracts for the year ended December 31, 2015. As a result, on June 28, 2016, our independent public accountants issued a qualified audit opinion on our consolidated financial statements as of and for the year ended December 31, 2015 stating that in their opinion, those consolidated financial statements presented fairly, in all material respects, the financial position of our Company and our subsidiaries as of December 31, 2015, and our financial performance and cash flows for the years then ended in accordance with IFAS, except for the effects of not applying SFAS 30 to our IPP Power Supply Contracts. As a result, our IPP Power Supply Contracts were accounted for as a normal purchase of electricity for the year ended December 31, 2015. On March 1, 2017, OJK issued Regulation No. 6.

Based on this regulation, certain agreements entered into in relation to or in connection with the supply of electricity (such as IPP Power Supply Contracts) are accounted for as sale and purchase transactions even if they contain arrangements other than in connection with the sale and purchase of electricity. The regulation is mandatory for financial statements for periods beginning on or after January 1, 2017 and is applied prospectively. Early adoption is permitted for financial statements for the period beginning on or after January 1, 2016 and we elected for early adoption. As a result, we ceased to apply ISFAS 8 from January 1, 2016. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia has been completed or terminated. There can be no assurance, however, that the Government or the OJK will not issue different or new regulations or guidance in the future which leads our management to go back to treating IPP Power Supply Contracts as finance leases. *“See Risk Factors — We have implemented changes in how we account for our IPP Power Supply Contracts which make it difficult to compare our financial information from year to year”.*

In order to apply SFAS 30 and ISFAS 8 to our IPP Power Supply Contracts and fully conform with IFAS as of and for the year ended December 31, 2015, we restated our consolidated financial statements as of and for the year December 31, 2015. As a result of this restatement, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated March 14, 2017 (not included in this Offering Memorandum) that removed the qualification on the previously issued audit opinion dated June 28, 2016. Subsequently, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated April 26, 2017 on the restated consolidated financial statements prepared in accordance with IFAS as of and for the year ended December 31, 2015. Those consolidated financial statements and the related unqualified opinion dated April 26, 2017 are included elsewhere in this Offering Memorandum.

Comparability of Consolidated Financial Statements and Financial Information

As described above, following the issuance of Regulation No. 6, we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 applied ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the years ended

December 31, 2016 and 2017 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See also “*Presentation of Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Changes in Accounting Policies.*”

Solely for the convenience of the reader and to enhance the comparability of the financial information discussed in this Offering Memorandum, we also discuss certain financial information that excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts in 2015 in order to provide additional information, on an illustrative basis, when comparing to financial information for 2016, which under Regulation No. 6 also excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts. Such adjusted 2015 financial information is not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015 which were prepared in accordance with IFAS and applied the provisions of ISFAS 8. The 2015 financial information that excludes the effects of ISFAS 8 is neither audited nor reviewed and is not based on IFAS or any generally accepted accounting principles. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) were not engaged to audit, review or apply any procedures on this financial information. Accordingly, prospective investors should not rely on this 2015 financial information that excludes the effects of ISFAS 8 as if it had been audited or reviewed by our independent public accountants, or prepared in full compliance with IFAS.

Statements of Profit or Loss and Other Comprehensive Income Data

	Year ended December 31,						
	2015		2016		2017		U.S.\$ ⁽²⁾
	Rp.	% ⁽¹⁾	Rp.	% ⁽¹⁾	Rp.	% ⁽¹⁾	
	<i>(Rp. billions and U.S.\$ millions, except percentages)</i>						
Revenues							
Sale of electricity	209,845	76.6	214,140	76.2	246,587	81.9	18,201
Customer connection fees.....	6,141	2.2	7,052	2.5	7,113	2.4	525
Others.....	1,361	0.5	1,630	0.6	1,595	0.5	118
Total revenues	<u>217,347</u>	<u>79.4</u>	<u>222,822</u>	<u>78.7</u>	<u>255,295</u>	<u>84.8</u>	<u>18,844</u>
Operating expenses							
Fuel and lubricants	(138,408)	(50.5)	(109,492)	(39.0)	(116,948)	(38.8)	(8,632)
Purchased electricity	(4,421)	(1.6)	(59,729)	(21.3)	(72,427)	(24.1)	(5,346)
Lease	(8,066)	(2.9)	(6,545)	(2.3)	(6,592)	(2.2)	(487)
Maintenance.....	(21,861)	(8.0)	(21,227)	(7.6)	(19,516)	(6.5)	(1,441)
Personnel	(20,321)	(7.4)	(22,660)	(8.1)	(23,125)	(7.7)	(1,707)
Depreciation	(25,407)	(9.3)	(27,512)	(9.8)	(29,161)	(9.7)	(2,152)
Others.....	(7,090)	(2.6)	(7,284)	(2.6)	(7,707)	(2.6)	(569)
Total operating expenses	<u>(225,574)</u>	<u>(82.4)</u>	<u>(254,450)</u>	<u>(90.6)</u>	<u>(275,474)</u>	<u>(91.5)</u>	<u>(20,333)</u>
Operating loss before subsidy	<u>(8,227)</u>	<u>(3.0)</u>	<u>(31,628)</u>	<u>(11.3)</u>	<u>(20,179)</u>	<u>(6.7)</u>	<u>(1,490)</u>
Government's electricity subsidy.....	56,553	20.6	58,043	20.7	45,738	15.2	3,376
Operating income	<u>48,325</u>	<u>17.6</u>	<u>26,415</u>	<u>9.4</u>	<u>25,559</u>	<u>8.5</u>	<u>1,886</u>
Other income — net.....	2,437	0.9	1,092	0.4	3,410	1.1	252
Financial income.....	627	0.2	579	0.2	1,067	0.4	79
Financial cost	(39,977)	(14.6)	(18,703)	(6.7)	(18,557)	(6.2)	(1,370)
Gain (Loss) on foreign exchange — net	<u>(27,326)</u>	<u>(10.0)</u>	<u>4,195</u>	<u>1.5</u>	<u>(2,935)</u>	<u>(1.0)</u>	<u>(217)</u>
Income (Loss) before tax	<u>(15,913)</u>	<u>(5.8)</u>	<u>13,578</u>	<u>4.8</u>	<u>8,544</u>	<u>2.8</u>	<u>630</u>
Tax benefit (expenses)	21,940	8.0	(5,428)	(1.9)	(4,116)	1.4	(304)
Income for the year	<u>6,027</u>	<u>2.2</u>	<u>8,150</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Income for the year attributable to:							
Owners of the Company.....	6,011	2.2	8,113	2.9	4,410	1.5	326
Non-controlling interest	16	0.0	37	0.0	18	0	0
Total	<u>6,027</u>	<u>2.2</u>	<u>8,150</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Basic earnings per share (in full Rupiah amount)	<u>130,106</u>	<u>0.0</u>	<u>150,009</u>	<u>0.0</u>	<u>50,541</u>	<u>0.0</u>	<u>0</u>

Notes:

- (1) Expressed as a percentage of total revenues plus the Government's electricity subsidy.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Statements of Financial Position Data

	As of December 31,			
	2015	2016	2017	
	Rp.	Rp.	Rp.	U.S.\$ ⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Assets:				
Non-current Assets.....	1,235,026	1,173,609	1,241,160	91,612
Current Assets.....	79,345	98,569	93,797	6,923
Total Assets.....	1,314,371	1,272,178	1,334,958	98,535
Equity:				
Total Equity.....	804,791	878,399	869,417	64,173
Liabilities:				
Non-current Liabilities.....	389,441	272,155	326,466	24,097
Current Liabilities.....	120,139	121,623	139,075	10,265
Total Liabilities.....	509,580	393,779	465,541	34,362
Total Equity and Liabilities.....	1,314,371	1,272,178	1,334,958	98,535

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Statements of Cash Flows Data

	Year ended December 31,			
	2015	2016	2017	
	Rp.	Rp.	Rp.	U.S.\$ ⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Net cash provided by operating activities.....	37,289	29,588	56,844	4,196
Net cash used in investing activities.....	(38,297)	(54,800)	(87,108)	(6,430)
Net cash (used in)/provided from financing activities.....	(2,870)	43,595	30,610	2,259

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Selected Financial Data

A reconciliation from operating income (after Government electricity subsidy) to Adjusted EBITDA and other financial data for the years indicated therein are set out below:

	As of December 31,			
	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$ ⁽³⁾
	<i>(Rp. billions and U.S.\$ millions unless otherwise indicated)</i>			
Operating income.....	48,325	26,415	25,559	1,886
Depreciation	25,407	27,512	29,161	2,152
Amortization.....	213	276	286	21
Actuarial employee benefit expense-net of payments.....	2,220	1,391	1,586	117
Adjusted EBITDA⁽²⁾	76,165	55,595	56,590	4,177
Operating Income/Adjusted Revenue (%) ⁽³⁾	17.64	9.41	8.5	—
Adjusted EBITDA margin ⁽⁴⁾ (%)	27.81	19.79	18.80	—
Total Borrowings to (Total Borrowings plus Total Equity) ⁽⁵⁾ (%).....	32.23	23.81	26.7	—
Total Borrowings to Total Equity (%)	47.56	31.25	36.5	—
Total Borrowings to Adjusted EBITDA (times).....	5.03	4.94	5.6	—
Total Net Borrowings⁽⁶⁾ to Adjusted EBITDA (times)	4.72	4.18	4.9	—

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income and our consolidated statements of financial position for 2016 and 2017, respectively, are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income and our consolidated statements of financial position for 2015, as explained above. As a result, the line-items presented in the above table are not directly comparable. If we excluded the effect of ISFAS 8 on our “operating income after subsidy” and “depreciation” accounts for 2015, they would have been Rp.27,637 billion (non-GAAP) and Rp.21,419 billion (non-GAAP), respectively, and consequently our Adjusted EBITDA would have been Rp.51,489 billion (non-GAAP) in 2015. Following the same approach, our Adjusted EBITDA Margin would have been 18.8% (non-GAAP), Total Borrowings to (Total Borrowings plus total equity) 22.9% (non-GAAP), Total Borrowings to Total Equity 29.7% (non-GAAP), Total Borrowings to Adjusted EBITDA 4.9 times and Total Net Borrowings to Adjusted EBITDA 4.4 times.
- (2) We define Adjusted EBITDA as operating income plus depreciation expense, amortization expense and actuarial employee benefit expense — net of payments. We believe that the presentation of our Adjusted EBITDA facilitates comparisons of operating performance from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets and deferred charges (affecting relative depreciation and amortization expense). In particular, presentation of our Adjusted EBITDA eliminates non-cash items such as amortization of deferred charges, actuarial employee benefit expense — net of payments made during the period that arise from actuarial assumptions and depreciation expense that arises from the capital intensive nature of the utilities industry. We also believe that the presentation of our Adjusted EBITDA is a useful supplemental measure of our ability to service debt. See “*Non-GAAP Financial Measures*”.
- (3) “Adjusted Revenue” as used for computing this ratio is the sum of total revenue and the Government electricity subsidy.
- (4) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA over Adjusted Revenue.
- (5) Total Borrowings include two-step loans, Government loans, bonds payable, bank loans and medium term notes, certain lease liabilities and electricity purchase payable.
- (6) Total Net Borrowings refers to Total Borrowings minus cash and cash equivalents.
- (7) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Selected Operating Data

	Year ended December 31,		
	2015	2016	2017
	<i>(MW except percentages, GWh and average selling price)</i>		
Installed Capacity⁽¹⁾			
PLN	41,895	43,294	42,656
IPPs ⁽²⁾	8,964	11,371	13,270
Total system installed capacity ⁽³⁾	50,859	54,665	55,926
Peak demand ⁽⁴⁾	33,381	36,882	37,044
Net dependable capacity ⁽⁵⁾	42,759	48,309	49,049
Reserve capacity	17,478	17,783	18,882
Reserve margin ⁽⁶⁾	52.4%	48.2%	51.0%
Operating reserve margin ⁽⁷⁾	28.1%	31.0%	32.4%
Average demand ⁽⁸⁾	25,964	28,687	29,070
Units of electricity sold (GWh)	202,846	216,004	223,134
Average selling price (Rp./kWh)	1,035	994	1,105

Notes:

- (1) Installed capacity represents the combined level of output that may be sustained continuously without significant risk of damage to plant and equipment.
- (2) Represents the contractual capacity as specified in the relevant IPP contracts.
- (3) Total system installed capacity represents our capacity and those of IPPs.
- (4) Peak demand represents the aggregate actual maximum peak demand on every system at any single time during the period.
- (5) Net dependable capacity represents the rated capacity and the contractual capacity of the IPPs as specified in the relevant IPP contracts.
- (6) Reserve margin is equal to the difference between total system installed capacity and peak demand as a percentage of peak demand.
- (7) Operating reserve margin is equal to the difference between net dependable capacity and peak demand as a percentage of a peak demand.
- (8) Average demand is equal to the average demand on our system during the period.

Selected Operating Performance Data

	Year ended December 31,		
	2015	2016	2017
Equivalent forced outage rate (%) ⁽¹⁾	8.56	7.73	5.0
Capacity factor (%)	50.53	53.57	49.42
Transmission and distribution losses (%)	9.8	9.5	8.8
Distribution losses (%)	7.6	7.2	6.5
Transmission losses (%)	2.3	2.3	2.4
SAIFI (frequency/customer)	6.0	15.1	12.7
SAIDI (hour/customer)	5.3	25.5	19.3
Number of customers per employee	1,285	1,245	1,492

Note:

- (1) Java-Bali only. As of December 31, 2017, the integrated interconnection system which provides this data has been completed only in Java-Bali.

RISK FACTORS

An investment in the Notes involves certain risks. You should carefully consider all of the following factors, in addition to the matters set forth in this Offering Memorandum, prior to investing in the Notes. In general, investing in securities of companies in emerging market countries such as Indonesia involves risks not typically associated with investing in the securities of companies in more developed economies. To the extent the description in this section relates to Government or Indonesian macroeconomic data, such information has been extracted from official Government publications or other third-party sources and has not been independently verified by us.

Risks Relating to our Business and Operations

We are subject to the control of the Government, whose interests may differ from our interests

We were established based on Deed No. 169 dated July 30, 1994, made before Sutjipto, SH, Notary in Jakarta which was ratified by Minister of Justice Decree No. C2-11-519HT01.01TH'94 dated August 1, 1994 (as amended from time to time (“Articles of Association”). The Government is our sole shareholder and, through its agencies, it is likely to continue to retain control over us. We have historically operated as a Government service provider and, accordingly, the Government has historically influenced, and is likely to continue to influence, our strategy and operations. The Government also has the ability to influence and control other Government-related entities we conduct business with, including PT Pertamina (Persero) (“Pertamina”), the Indonesian state oil and gas company, which, until recently, was our primary supplier of fuel oil. The Government is likely to retain control of us through majority ownership, which gives the Government powers with respect to approving matters such as the election and removal of Commissioners and Directors, amendments to our Articles of Association, changes in our capital structure and mergers and acquisitions, consolidation or liquidation.

There can be no assurance that the Government will exercise its control and influence for our benefit. If we are required to act in the Government’s interests and those interests differ from our interests, or if the Government favors the interests of others, such action could have a material adverse effect on our business, financial condition, results of operations and prospects and our ability to make payments under the Notes.

If the price of fuel oil, natural gas or coal increases, our future operating expenses will increase, which could have a material adverse effect on our results of operations

Our profitability can be significantly impacted by prices of fuel oil, natural gas and coal. For example, 10.7%, 8.2% and 6.6% of our GWh production was generated using fuel oil for the years ended December 31, 2015, 2016 and 2017, respectively, but the cost of fuel oil was 26.1%, 22.0% and 19.9% of our total fuel and lubricants expenses during the same periods. If the price of fuel oil, natural gas and/or coal increases, it will increase our operational expenses and could materially and adversely affect our business, financial condition, results of operations and prospects.

Since the Government ceased providing fuel subsidies in October 2005, the price we have paid for fuel oil has fluctuated monthly, based on the market price, which is the daily mean (average of the high and low quotations in Singapore) of the particular oil product in the previous month (the Mid-Oil Platts Singapore or “MOPS”). This has resulted in our paying higher prices for fuel oil. For example, in January 2005, when fuel prices were subsidized by the Government, our price was fixed at Rp.1,650 per liter for high-speed diesel oil, which is the most expensive type of fuel oil we require, and which accounted for approximately 84.1% of our fuel oil expenses in the year ended December 31, 2005. By October 2005, when the Government stopped subsidizing fuel oil, our price for high-speed diesel oil had increased to Rp.6,000 per liter, reflecting the market price of oil. In the year ended December 31, 2017, the average price we paid for high-speed diesel oil across our regions of coverage ranged from a low of Rp.5,532 per liter to a high of Rp.6,976 per liter and high-speed diesel oil accounted for

approximately 78.3% of our fuel oil expenses. The price of fuel oil per liter in Rupiah fluctuates in accordance with the price of fuel oil in the world market and is affected by the exchange rate of the U.S. dollar against the Rupiah. The price of fuel oil in the world market is subject to a variety of factors that are beyond our control. These factors, among others, include:

- international events and circumstances, as well as political developments and instability, in petroleum-producing regions;
- policies of the Organization of the Petroleum Exporting Countries and other petroleum-producing nations that seek to set and maintain production levels and influence market prices;
- domestic and foreign government regulations with respect to the oil and energy industries in general;
- level and scope of activity of oil speculators;
- weather conditions and seasonality; and
- overall domestic and regional economic conditions.

Due to Government regulations with respect to electricity tariff rates, in recent years, we have been unable to pass on increases in fuel prices to consumers through increased tariffs. We also procure a portion of the coal we need on the spot or short-term market at the prevailing market price, which increases our risk of buying at high prices.

We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets

Under the Government's Fast Track Program I, we were originally mandated to build coal-fired electricity generating plants at 42 locations in Indonesia, including ten plants with an aggregate capacity of 7,490 MW in Java-Bali and 32 plants with an aggregate capacity of 2,437 MW outside Java-Bali. Two of the 42 originally mandated locations have been combined into one location, three locations have since been terminated due to difficulties involving conditions of the sites and EPC contractors, and four locations have been reserved for future development, resulting in 34 locations with active development for 9,927 MW under the Fast Track Program I. As of December 31, 2017, we had signed 34 EPC contracts for 34 coal-fired electricity generating plants located in ten locations in Java-Bali and 24 locations outside Java-Bali. See "*Relationship with the Government — Government as Customer — The Fast Track Programs.*"

Under the terms of all of the current 34 EPC contracts for Fast Track Program I, we are required to directly pay the contractor approximately 15.0% of the contract price ourselves and obtain the remaining approximately 85.0% of the contract price through export credit or other bank financing from one or more banks, generally within 90 or 120 days of the contract date. As of the date of this Offering Memorandum, we have secured financing in the form of export credits and other bank financing for generating plants at 33 out of the 34 planned locations and we have completed construction of generating plants at 27 locations with 9,640 MW in operation, equal to approximately 97% of the total planned capacity of 9,927 MW. As of December 31, 2017, we had incurred a total of Rp.164,611 billion (U.S.\$12,150 million) in costs related to the Fast Track Program I, pertaining to construction and renovation of generation development projects, transmission development projects and the related capitalized borrowing costs.

Pursuant to the Fast Track Program II, we have been mandated to procure 17,428 MW of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia beyond that provided by completion of the Fast Track Program I. Over half of the construction required under the Fast Track Program II are expected to be built by IPPs, with the remaining locations to be constructed by us. Funding for these locations is expected to be provided through a combination of allocations from the state budget, two-step loans, bank loans, capital markets and internal sources.

To address the growing demand for electricity and to achieve its target of electrification ratio, the Government announced the 35,000 MW Program in 2015. The 35,000 MW Program will require a significant amount of investments, estimated to be more than Rp.1,127 trillion (U.S.\$87 billion) in aggregate. In order to ease this financial burden, we plan to build power plants to produce approximately 8,911 MW in aggregate while the remaining 26,950 MW are expected to be produced through IPPs.

We estimate the total investment required by the EPC contracts for both our Company and the IPPs under the Fast Track Program II and the 35,000 MW Program to amount to approximately U.S.\$89,893 million for generation development projects and approximately U.S.\$24,570 million for transmission development projects. As of December 31, 2017, we had drawn down approximately Rp.113,645 billion under loans relating to the construction of Fast Track Program II and 35,000 MW Program, in each case excluding IPPs. For the year ended December 31, 2017, we had incurred U.S.\$6,955 million in capital expenditures and we expect to incur additional substantial capital expenditures to undertake new projects, including those under the Fast Track Programs and the 35,000 MW Program, as well as for the replacement of operating assets and infrastructure. These capital expenditures are expected to be funded through a combination of internally generated cash and other external financing. See *“Relationship with the Government — Government as Customer — The Fast Track Programs.”*

The implementation and completion of these programs will require a significant amount of funding to be obtained by us and the IPPs. There is no assurance that we and the IPPs will be able to source additional funding on time or at commercially agreeable conditions, which would negatively and adversely impact our business prospects, financial condition and ability to implement our strategy or complete these programs on schedule or at all.

We have implemented changes in how we account for our IPP Power Supply Contracts which make it difficult to compare our financial information from year to year

Our audited consolidated financials for 2016 and 2017 are not directly comparable to our audited restated consolidated financials for 2015 due to a change in accounting policy. In 2016, we ceased applying the provisions of ISFAS 8, in accordance with SFAS 30, to our IPP Power Supply Contracts in accordance with OJK’s Regulation No. 6 whereas we applied these provisions to our IPP Power Supply Contracts in 2015. The non-application of ISFAS 8 in 2016 and 2017 resulted in a significant portion of our IPP Power Supply Contracts no longer being treated as finance leases. As a result, a significant portion of our expenses in 2016 and 2017 were recorded differently compared to previous years, which has a significant and direct impact on the comparability of our financial statements over the 2015-2017 period. Our management continually evaluates the appropriateness of various accounting policies, as further required or informed by various regulations and guidance issued by the Government, including regulatory body such as OJK. Our management has in the past taken different positions on the appropriateness of treating our IPP Power Supply Contracts as finance leases based on factors that it believed to be reasonable under the circumstances. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia has been completed or terminated. There can be no assurance, however, that the Government or the OJK will not issue different or new regulations or guidance in the future which leads our management to go back to treating IPP Power Supply Contracts as finance leases. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Restatement of Prior Years’ Consolidated Financial Statements”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Changes in Accounting Policies”* for a more detailed

description of the effects of applying ISFAS 8. As such discussion illustrates, any change in the application of such accounting policy could have a significant impact on our financial statements, including any potential restatements of prior years' financials resulting from such change, that affect the comparability of our financial statements from year to year and your ability to understand our financial results and condition.

We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program

Completion of the Fast Track Programs and the implementation of the 35,000 MW Program may place a strain on our management, operational and financial resources. We may face difficulties with this expansion in the integration of our operations, technologies and personnel. Our ability to implement and obtain funding for these programs will depend on our ability to effectively monitor operations, control costs, maintain effective quality controls and strengthen our internal management, technical and accounting systems. Ability to secure requisite funding for our programs may prove difficult due to restrictions on loan agreements with the Government, delays in Government budget approvals, requirements of cash investments and net cash flow falling below targets.

The success of these programs will largely depend on our ability to source sufficient supplies of coal domestically at lower prices than would be available if we had to import coal from abroad. If we are unable to source the required amount of coal for these plants at reasonable prices or at all, we may not be able to meet our forecasts and targets in connection with the Fast Track Programs. See “— *We may not be able to secure sufficient supplies of natural gas or coal, which could adversely affect our business.*”

Further, the success of these programs also depends on our ability to select contractors, source labor, cooperate with other state owned enterprises, enter into new PPAs and procurement and construction contracts, acquiring land, the construction of transmission and distribution facilities to support new electricity generating plants. There can be no assurance that we will be able to construct the necessary facilities on schedule or at all.

In 2015, our Company was tasked with implementing the 35,000 MW Program in cooperation with the private sector with a goal of increasing Indonesia's electrification ratio to above 97.9% by the end of 2019. In March 2018, pursuant to the National Electricity Business Plan (RUPTL) 2018-2027, the Government adjusted the target completion dates and capacities under this program to 15,600 MW by the end of 2019 and 35,000 MW by the end of 2024. We have recalibrated our plan for the 35,000 MW Program according to the adjusted target completion dates and capacities. The proposed timeline, scale and complexity of this project will require the mobilization of a significant amount of resources, including human capital and financial resources. Despite strong support by the Government and regional and local authorities, the construction of the power plants, substations, transmission and distribution networks required by the 35,000 MW Program involves various risks and uncertainties such as risks associated with the engineering, construction, design, operations and other such challenges; availability of project management expertise; potential increased costs for, or shortages of, equipment and labor; regulatory and environmental compliance issues; regional and global economic conditions; and the possibility of natural disasters, any of which may significantly delay or prevent the completion of the successful implementation of the 35,000 MW Program as currently contemplated. The issuance of permits in Indonesia is also subject to various governmental and administrative approvals and may require, among other things, modification of plans or remediation for any negative environmental effects at the construction sites. Completion of such a complex and ambitious program will also require the selection of a significant number of contractors, IPPs and other partners in an orderly and efficient fashion. Additionally, the land acquisition process includes the process of analysing appropriateness of location and tendering, screening and bidding processes, any of which may cause delays. Due to these risks, the actual capital expenditure for construction and start-up of the 35,000 MW Program may significantly exceed levels currently contemplated.

Due to the foregoing factors, we may not be able to successfully complete the 35,000 MW Program as scheduled or within budgeted costs, which could significantly and adversely impact our financial condition and results of operations.

Delays or difficulties in the process of obtaining land rights could disrupt our expansion plans

The procurement and construction contracts entered into or to be entered into in connection with our projects, such as the 35,000 MW Program, require that we acquire and obtain the relevant land titles to land necessary for the construction projects at the relevant locations.

Government regulations may delay or limit our ability to obtain additional the required land rights for the construction of new power plant facilities, transmission lines and distribution networks or the expansion of our existing facilities. Despite Government efforts to accelerate the process for obtaining permits through Presidential Regulation No. 148/2015, the process for obtaining the relevant land titles is a multi-stage, time-consuming process where each stage presents opportunities for delay, which may inhibit our ability to obtain land titles in a timely manner, or at all. Failure to obtain the relevant land titles would inhibit our ability to use such land and disrupt our projects, and we may be unable to recover the costs related to the acquisition of such land or incur new costs in acquiring alternative land. In addition, there is uncertainty in respect of the balance between the local and the central governments and the procedures for obtaining land use rights, renewing licenses and approvals and monitoring compliance with environmental regulations.

If we fail to obtain, or encounter any significant delay in obtaining, the relevant title to lands relating to our projects, it could adversely impact our business, financial condition and growth prospects.

We cannot guarantee that in the future the Government will continue to provide us with subsidies that cover our costs to produce electricity, or that any subsidy will be provided in a timely manner

Our tariff rates for electricity sales are regulated by the Government. As the electricity tariff rates we are permitted to charge certain groups of our residential customers have historically been lower than our costs of production for the electricity we sell to these customers, we have relied on Government subsidies to fully cover the difference between our costs and revenues when we provide electricity to these customers. In the past, the manner of calculating and disbursing Government subsidies has been amended from time to time. In the past, our previously approved annual budgeted subsidy has been subsequently adjusted to a lower amount based on audits from the Audit Board. These revisions resulted in receipt of subsidies significantly lower than our actual costs. These revisions may materially adversely affect our business, financial condition, results of operations and prospects, as well as the ability of holders of the Notes to enforce their rights under the Notes.

The Minister of Finance Regulation No. 44/PMK.02/2017, as amended by the Minister of Finance Regulation No. 162/PMK.02/2017, makes allowances for any under-estimation in the calculation of subsidies and allow quicker disbursement of subsidy payments. There can be no assurance, however, that future subsidy payments will be disbursed in a timely manner or at all. Further, the method of calculating or disbursing subsidies may be revised from time to time in a manner that is not favorable to us. These revisions may materially adversely affect our business, financial condition, results of operations and prospects, as well as the ability of holders of the Notes to enforce their rights under the Notes. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations and Financial Condition*” and “*Regulation of the Indonesian Electricity Sector — Subsidies.*”

We may face losses in the future if the maximum tariff rates we are allowed to charge remain below our production cost or are reduced due to any constraints placed on our pricing of electricity under the Government-regulated tariff regime

The Government sets the level of the tariffs we can charge for the electricity we sell. Tariffs for electricity sales are proposed by the MEMR and approved by the President. Pursuant to the MEMR Regulation No. 28/2016, the Government applied a tariff adjustment mechanism for 13 types of customers. However, the tariff adjustment has only been implemented for 12 types of customers that represented in aggregate 65.0% of the overall sales as planned under the 2017 state budget and the tariff rates set by the Government have, for some time, been below our cost of production for certain residential customers. As a result, because we perform a PSO within the meaning of Law No. 19/2003 when providing electricity to such customers, the Government pays us an electricity subsidy to compensate for differences between our production costs and tariffs set at a level below such production costs and a PSO Margin set at 7.0% above the cost of electricity to meet our finance costs for borrowings related to capital expenditures.

There can be no assurance that the Government will maintain the current levels of PSO Margin in the future or that the Government will approve future increases in the Tarif Dasar Listrik which is known as the basic electricity tariff, especially during economic downturns. In the past, negative public sentiment has influenced the Government's willingness to maintain low tariff rates. If electricity tariffs remain at current levels, are reduced or not sufficiently increased, especially if our operating expenses remain the same or continue to rise, it could materially and adversely affect our business, financial condition, results of operations and prospects. See "*Relationship with the Government*" and "*Regulation of the Indonesian Electricity Sector*."

We face construction and start-up risks which could adversely affect our business.

The construction of a power plant involves many risks, including:

- shortages of equipment and materials;
- work stoppages;
- weather interferences;
- unforeseen engineering, design, environmental and geological problems;
- delays in receiving requisite licenses or permits;
- strikes or labor unrest, injuries; and
- unanticipated cost increases,

any of which could give rise to delays or cost overruns. Construction delays may result in the loss of revenues. No assurance can be given that construction of electricity generating plants or construction of other projects under development will be completed on schedule and within budget. Significant construction or start-up delays could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may experience delays or other difficulties in obtaining Government and related approvals, which could adversely affect our business

We are required to secure appropriate Government approvals associated with developing additional electricity generating plants and the process of obtaining such Government approvals is complex and can be lengthy. Establishing new electricity generating plants and expanding existing electricity generating plants in Indonesia principally require us to obtain the following approvals from the relevant regulatory authorities:

- approval of a project proposal;
- approval of a feasibility study (and an initial design and project budget in the case of key projects); and
- approval of a construction commencement report.

In the course of developing an electricity generating plant, numerous permits, approvals and consents must also be obtained from relevant national, provincial and local governmental authorities relating to siting, construction, environmental matters, operating licenses and other matters. In addition, Government approvals must be obtained with respect to the development and construction of ancillary infrastructure required to support new power projects. We must also secure approval from the Government as our sole shareholder before entering into any contract with a duration of one year or longer that exceeds certain value thresholds. There can be no assurance that additional electricity generating plants or expansions of existing electricity generating plants will receive all necessary approvals in a timely manner or at all. Significant delays or failure in obtaining necessary approvals could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may have difficulty securing necessary financing for our projects, which could adversely affect our business

Each of the electricity generating plants that we intend to develop, as well as those that we may decide to develop in the future, will require substantial capital investment. As we are owned by the Government, in the past we have been able to obtain long-term borrowings either from the Government itself or through the Government and sourced from foreign quasi-governmental institutions, such as the International Bank for Reconstruction and Development (“IBRD” or the “World Bank”), Asian Development Bank (“ADB”), the Japan International Cooperation Agency (“JICA”), the Japan Bank for International Cooperation (“JBIC”) or Kreditanstalt für Wiederaufbau (“KfW”), on more favorable terms than would otherwise be available commercially. There can be no assurance that in the future we will be able to source further funding from either the Government or such foreign quasi-governmental institutions on similar terms or at all. In addition, the Government’s policy is for state-owned enterprises to gradually reduce their reliance on such loans.

We have obtained several unguaranteed long-term offshore direct borrowings since 2013 from Standard Chartered Bank, Agence Française de Développement, JBIC syndication, The Export-Import Bank of Korea syndication, Export Development Canada (“EDC”) and Hungarian Export-Import Bank Private Limited Company (“HEXIM”), KfW-IPEX, Compañía Española de Seguros de Crédito a la Exportación, Servizi Assicurativi del Commercio Estero, Korea Trade Insurance Corporation — Credit Agricole, SERV Swiss Export Risk Insurance, Bank Gospodarstwa Krajowego — KUKI, as well as guaranteed long-term offshore direct borrowings from ADB, IBRD and IDB. We have also been able to obtain several unguaranteed local banks borrowings since 2011 to finance our capital expenditure amounting to a total of Rp.83.3 trillion to date.

The terms of all of the EPC contracts for the Fast Track Program I we have signed to date provide, and those that we will sign in the future are also expected to provide, that we finance approximately 85.0% of the contract price through export credit agency (“ECA”) lenders or other bank financing. On an aggregate basis, we estimate ECA financing will comprise approximately Rp.26.6 trillion of Rp.34.4 trillion and U.S.\$5.3 billion of nearly U.S.\$6.9 billion total estimated financing required to complete the Fast Track Program I. Several lenders have requested, and other lenders may in the future request, the Government to provide financial support, in the form of a full and unconditional guarantee, of our obligations under credit financing obligations in connection with the Fast Track Program I. Although it is the general policy of the Government not to guarantee private loans to state-owned enterprises, as the Fast Track Program I is an initiative of the Government, specific Government regulations allow the Government to provide full guarantees of our obligations to lenders related to the Fast Track Program I. In this respect, the Government, through the Ministry of Finance, has provided unconditional and irrevocable guarantees to lenders in connection with the financings we have obtained for the relevant Fast Track Program I locations. The guarantees provide for payments by the Government in respect of these obligations in the event of a payment default by us. Under the Fast Track Program II, the Government is also required to provide viability guarantees to guarantee our ability to meet our financial obligations to the IPPs as stated in the invoices for the purchase of electricity under the PPAs upon a proposal submitted by us and subject to certain conditions.

Further, if we do not obtain such export credit financing in accordance with the terms of the relevant EPC contract, we will need to enter into negotiations with the relevant contractor to agree on how financing will be obtained. In the event that we are unable to reach an agreement with the contractor on financing or are unable to agree with the lenders on terms that are acceptable to us, we may experience substantial delays in the development of our Fast Track Programs locations, which could adversely affect our business, financial condition and results of operations and prospects.

If adequate long-term funding is not available on satisfactory terms or at all, we may have to delay or abandon future capital-intensive projects, a number of which are fundamental to the future prospects and development of our business. Moreover, our future business activities and expansion plans may require us to alter our capital structure. If we are unable to access sufficient capital for our operations, this would have a material adverse effect on our prospects and growth strategy. Such failure to obtain financing may also, over time, reduce the quality and reliability of the service we provide, as well as adversely affect our future profitability.

Our ability to arrange financing is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks or other lenders, our credit ratings and financial performance, receipt of necessary Government approvals, the extent of restrictions on foreign investment in Indonesia and applicable Indonesian tax provisions, company and securities laws. There can be no assurance that we will be able to obtain financing from our usual or alternative sources, that such financing will be on terms acceptable to us or that such financing plans will not be delayed. If we fail to obtain necessary financing on acceptable terms or such financing is delayed, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

Negative public sentiment may have an impact on our development plans, which could adversely affect our business

We have encountered in the past, and may continue to encounter in the future, negative public sentiment and disagreement regarding the development or operation of our electric power plants and other facilities. For instance, members of the public have criticized our plans to develop extra-high voltage transmission (500 kV) or high voltage transmission (150 kV) due to health concerns. Disagreements with the public may negatively impact our development plans for the construction and expansion of electricity generating plants or transmission infrastructure, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Under the New Electricity Law, the procedure for setting tariffs has changed, and tariffs may be less uniform, resulting in lower revenues

Under the terms of Law No. 15 of 1985 on Electricity (the “Old Electricity Law”), the electricity tariffs charged by us were required to be approved by the President of Indonesia based on a proposal by the MEMR. However, under the New Electricity Law, as we are a holder of an IUPTL, the electricity tariffs we may charge will be determined by the President of Indonesia with the prior approval of the Indonesian House of Representatives, which is required to consider the balance between the national, regional, consumers’ and electricity business players’ interests. There is a risk that the change in the process for setting tariffs may delay decisions on tariff changes, which could delay our ability to take advantage of any increased tariffs. Additionally, the New Electricity Law permits the Government to set multiple tariffs for different areas within a single Business Area (as defined below). For further discussion of this issue, see “*Regulation of the Indonesian Electricity Sector — Tariff Structure.*”

Given that we currently charge tariffs that are less than our costs, to the extent that any reduction or change in tariff further increases the difference between our cost to produce the electricity we sell and the price we are permitted to charge for that electricity which is not covered by the Government subsidy, our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes could be materially and adversely affected.

We may be exposed to liabilities arising out of our contracts

We may be exposed to liabilities under certain contracts we have entered into, as well as those we may enter into in the future. As of December 31, 2017, the Government has completed a review of 43 of our existing PPAs as a part of the Government’s adjustments to the Fast Track Program II and the 35,000 MW Program. As a result of these reviews, we amended 35 PPAs reflecting an aggregate contractual capacity of 4,572 MW, which resulted in higher prices of the electricity we purchase under these PPAs. After review, we have terminated two PPAs representing an aggregate contractual capacity of 31 MW and performance by IPPs with which we have entered into the 4 remaining PPAs representing an aggregate contractual capacity of 299 MW has been delayed due to internal issues experienced by these IPPs.

In addition, we have been advised by our Indonesian counsel that, due to the manner in which certain of our current EPC contracts (relating to the Fast Track Programs) have been drafted, some of these EPC contracts are effective and binding as of the date they were signed, while others are effective and binding only upon the fulfilment of certain conditions precedent, such as our successfully obtaining the requisite export credit financing. In the event that we do not obtain such financing in a timely manner or at all, and the other party to the contract brings a claim against us, it may be difficult for us to enforce the terms of the contract, including the governing law provisions, which could expose us to liability for costs and potential damages and/or an unfamiliar legal regime.

There can no assurance that our exposure to liabilities arising out of our existing and future contracts including, without limitation, PPAs and EPC contracts, will not result in material losses or that our future contracts will provide adequate protection from liabilities on commercially acceptable terms or at all. If we suffer such material loss, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may suffer losses for which we are uninsured, or we lack adequate insurance, which could adversely affect our business

The operation of our business carries a risk of loss caused by adverse weather conditions, environmental mishaps, fire, mechanical failure, war, terrorism, natural disasters and other circumstances or events. Any such event may result in loss of property, loss of revenues and/or increased costs that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk and terrorist acts and certain disasters) may be uninsurable or the cost of

insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur or if we do not receive insurance proceeds in a timely manner or at all, we could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from the property.

In addition, under the terms of our EPC contracts, the contractor is required to obtain insurance policies to our satisfaction and approval and for our benefit, including builders' risk insurance, third-party liability insurance and marine and cargo insurance. As of the date of this Offering Memorandum, we have received some of such insurance policies, which are effective. The remaining insurance policies are not yet effective as the conditions under the EPC contracts to which they relate have not been fulfilled by the EPC contractors. Should an uninsured loss or a loss in excess of insured limits occur, the relevant contractor could be exposed to considerable losses which could compromise its ability to complete the relevant project, and, as a result, we could lose our capital investment in the project.

No assurance can be given that material losses in excess of insurance proceeds will not occur or that adequate insurance coverage will be available in the future in respect of our business or assets on commercially reasonable terms or at all. If we suffer such material loss, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to secure sufficient supplies of natural gas or coal, which could adversely affect our business

Part of our electricity generation business is dependent on natural gas supplies. In the past, we have experienced difficulty in obtaining adequate supplies of natural gas to meet our demand due to lack of availability and/or the volume delivered from our suppliers being less than the contracted volumes. Since 2003, we have faced a shortage of natural gas which has caused us to shut down certain electricity generating plants and to utilize fuel oil for certain dual-fired electricity generating plants. In addition, our gas suppliers have told us that a number of the natural gas fields from which we currently receive supplies are becoming depleted. To alleviate such supply shortage, we have implemented various measures to secure additional sources of natural gas for our plants. Since the LNG regasification terminal at Arun operated by Perta Arun Gas commenced operation in March 2015, we have received LNG from this facility at an average of approximately 111 BBTUD to PLTMG Arun 184 MW, PLTGU Belawan 750 MW and MPP Paya Pasir 83 MW. In February 2015, our PLTGU Tambak Lorok 1,034 MW also started to receive gas from Petronas Carigali Muriah Ltd. at an average of 116 BBTUD. The Government has provided additional 40 BBTUD in 2016 to the Badak export manifold main pipe, which is approximately 55 km away from our electricity generating plant in PLTG Tanjung Batu. We are in the process of procuring a dedicated pipeline to the Badak export manifold main pipe to alleviate the shortage. Since then, shortage of gas supply has been kept to a minimum, and has been limited only in East Kalimantan region. Also, our natural gas supply is subject to price fluctuations due to U.S. dollar denominations of our natural gas purchase agreements. Although we continually negotiate with additional suppliers and are expanding our generation network to reduce our dependence on natural gas, there can be no assurance that we will be able to establish or maintain the necessary infrastructure and supply contracts to secure sufficient additional supplies of natural gas for our existing electricity generating plants or to implement our growth strategy without delay, or at all.

Part of our electricity generation business is dependent on coal supplies. In order to successfully implement the plan to operate the existing 25 coal-fired electricity generation plants under the Fast Track Program I and build the planned 21 coal-fired electricity generating plants under the Fast Track Programs and the 35,000 MW Program, we will need to ensure a stable supply of coal at reasonable prices. It is a fundamental assumption under the Fast Track Programs that the abundance of Indonesia's coal reserves will allow us to source coal locally at lower prices than would be available if we had to import coal from abroad. In order to meet the projected needs of our planned expansion,

however, the amount of coal available locally will need to more than double from current production levels during the implementation period of the Fast Track Programs. If we are unable to source the required coal for these plants at reasonable prices or at all, we may not be able to meet our forecasts and targets in connection with the Fast Track Programs.

The availability of coal and gas is also subject to disputes with our suppliers. For example, PT Adaro Indonesia, the primary coal supplier to our subsidiary PT PJB for our Paiton coal-fired power plant, stopped its coal supply to PT PJB in April 2009 due to a dispute over the price of coal. On July 1, 2009, the Indonesian National Board of Arbitration issued a final and binding opinion stating that a price increase for PT Adaro Indonesia was fair and that the contract price must be adjusted with effect as of July 1, 2009. As a result of this ruling, PT PJB expected that it would be required to pay approximately U.S.\$100 million additionally for the supply of coal from PT Adaro Indonesia for the next two years. An addendum to the agreement between the parties reflecting the new price was signed on July 23, 2009, pursuant to which PT PJB has since continued to receive coal from PT Adaro Indonesia. Although the price of coal has been regulated by MEMR Regulation No. 17 in 2010 on Procedures for Stipulating Benchmark of Mineral and Coal Sales since September 2010 (partly revoked by MEMR Regulation No. 07 of 2017 and also amended lastly by MEMR Regulation No. 19 of 2018), Director General of Mineral and Coal Regulation No. 515.K/32/DJB/2011 on Formula for Determining of Coal Benchmark Price, the Director General of Mineral and Coal Regulation No. 480K/30/DJB/2014 on Guidelines for Stipulating Benchmark Price for Certain Type of Coal and Coal for Certain Needs (Mine Mouth) and regulated by MEMR Regulation No. 19 of 2017 on the Coal Utilisation for Power Plant and the Purchase of Excess Power and MEMR Decree No. 1395 K/30/MEM/2018 with regard to the Coal Price for Electricity Supply for Public Interest, as amended by MEMR Decree No. 1410 K/30/MEM/2018, there can be no assurance that coal-fired power plants operated by us, our subsidiaries or other ventures to which we are a party will not face similar disputes in the future. Any failure to secure adequate supplies of natural gas or coal on commercially acceptable terms could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our actual results may vary significantly from forecasts and estimates set forth herein

This Offering Memorandum includes certain forecasts estimates and other forward-looking information. This information is based on both assumptions and estimates made by our Board of Directors and management and on industry and other publicly available data. Furthermore, it reflects the current judgment of our Board of Directors and management regarding expected conditions and our expected course of action, which are subject to change.

These forecasts and estimates are based on a number of assumptions, which are inherently subject to uncertainty due to factors including, but not limited to, those identified in “*Forward-Looking Statements and Associated Risks.*” Many of these factors are not within our control and some of the assumptions with respect to future business decisions, strategies and industry growth are subject to change. Should one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated or anticipated and such differences may be material and may affect the market price of the Notes. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to be correct. There can be no assurance that our actual results will not vary significantly from forecasts and estimates set forth herein.

Depreciation in the value of the Rupiah may have a material adverse effect on our business, financial condition or results of operations and our ability to make payments under the Notes

Depreciation in the value of the Rupiah has in the past had, and may in the future have, a materially adverse effect on our business, financial condition or results of operations and on our ability to make payments under the Notes. One of the most significant immediate causes of the economic crisis that

began in Indonesia in mid-1997 was the depreciation and volatility of the value of the Rupiah as measured against other currencies, such as the U.S. dollar. Although the Rupiah has appreciated considerably from its low point of approximately Rp.17,000 per U.S. dollar in January 1998 to Rp.13,548 per U.S. dollar on December 31, 2017, the Rupiah continues to experience significant volatility. See “*Exchange Rates and Exchange Controls*” for further information on changes in the value of the Rupiah as measured against the U.S. dollar in recent periods.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to accounts held by non-Indonesians at a bank within or outside of Indonesia who lack a *bona fide* trade or investment purpose). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. There can be no assurance that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

All of our income is in Rupiah. However, our operating expenses such as certain purchases of electric energy from IPPs, natural gas, fuel oil and geothermal energy and maintenance expenses are denominated in U.S. dollars, currencies linked to U.S. dollars or other foreign currencies. For the years ended December 31, 2016 and 2017, approximately 49.2% and 43.3%, respectively, of our fuel expenses were in foreign currencies and approximately 60.2%, and 60.9%, respectively, of our total liabilities were denominated in foreign currencies. As a result, if the value of the Rupiah weakens against other foreign currencies, it could increase our financial burden. The weakening of the Rupiah could also increase the costs in servicing our debt denominated in foreign currencies and, in particular, our debt denominated in U.S. dollars. For example, in 2015 and 2017, we recognized a loss on foreign exchange of Rp.27,326 billion and Rp.2,935 billion, respectively, as compared to a gain of Rp.4,195 billion in 2016, primarily due to the depreciation in value of the Rupiah against the U.S. dollar and other foreign currencies in 2015. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations and Financial Condition — Effects of Rupiah Depreciation*” and “*— Results of Operations — 2016 and 2015*”.

Modification of the current floating exchange rate policy of Indonesia could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. These changes may result in a reduction of economic activity, an economic recession, loan defaults and increases in the price of imports. Any of the foregoing consequences could materially and adversely affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Certain members of our management, employees or intermediaries with whom we work with have been accused, investigated and in certain instances convicted of fraud and corruption, and our inability to detect and/or prevent any prior or future incidents could have adverse effects on our business

We have had instances in the past of members of management or employees being investigated and convicted of corruption and fraud, resulting in some cases in imprisonment and fines for such individuals. For examples of these cases and investigations, see “*Our Business — Legal Proceedings.*” Even though the foregoing cases did not result in sanctions or penalties for us and are not related directly to our business, there can be no assurance that there will not be any additional investigation or litigation relating to these incidents. If such investigation or litigation occurs, it could have adverse effects on our business, credibility and reputation.

It may be difficult to detect or prevent misconduct from the past or in the future by our management or employees, or third parties with whom we do business, such as suppliers or intermediaries, covering acts such as fraud, corruption, bribery, unauthorized business transactions, breach of our internal policies and procedures and other violations of law. We have implemented internal policies and

procedures to prevent, detect and punish such misconduct, including bribery, corruption and other similar unauthorized business transactions. For a description of our internal control policies and procedures, see “*Our Business — Internal Supervision and Control.*” Despite of our efforts, we may not be entirely successful in preventing, identifying or addressing non-compliance and/or suspicious activities or transactions in a timely manner or at all. Instances of corruption, bribery, unauthorized transactions or other breaches of our internal policies and procedure and applicable laws could subject us to financial loss and sanctions imposed by governmental authorities. Therefore, we may continue to face the risk that fraud, corruption and other misconduct may occur in the future, which may have an adverse effect on our business reputation, financial condition and results of operations.

Further, our reputation is key to attracting customers, investors, business partners and employees. Our reputation could be damaged in a variety of circumstances, including, among others, any instance of misconduct as described above, or other adverse litigation or regulatory decisions, or unfavourable outcomes of investigations or inspections by relevant law enforcement authorities or governmental agencies. Regardless of whether actual misconduct occurred or occurs, or litigation or other regulatory action is genuinely adverse to our business, there could still be adverse media coverage of our Company which could have a material adverse effect on our reputation, thereby affecting our business, financial condition and results of operations. In particular, adverse publicity concerning alleged corruption of employees or management in connection with the attribution or renewal of contracts and potential related scrutiny from law enforcement authorities could harm our reputation, our ability obtain financing on favourable terms (or at all) from financial institutions and other investors, compete in invitations to tender or otherwise conduct our business activities. For example, there have been a number of recent news articles reporting that certain of our suppliers have allegedly, and certain suppliers have admitted in a regulatory settlement with the U.K. Serious Fraud Office to having, paid bribes to intermediaries involving one of our directors or individuals at our Company in connection with certain projects in the past, and that the Corruption Eradication Commission (“KPK”) or various law enforcement or other regulatory bodies may be investigating the alleged bribes to the Company. Although we have not yet received any formal notice of, or request relating to any such investigation by KPK, it is the policy of the Company to cooperate with law enforcement authorities and governmental agencies under such circumstances. We may continue to be the target of this or other adverse publicity, even if prepared on an unfounded factual basis. We may, in the future, be subject to government or regulatory investigations or inquiries as a result of such third-party conduct, and may be required to incur significant time and substantial cost to defend ourselves, and there is no assurance that we will be able to conclusively refute the allegations within a reasonable period of time, or at all. Any such adverse publicity could harm our reputation, which may have an adverse effect on our business reputation, financial condition and results of operations.

Our business is subject to operational risks such as network loss and electricity theft and force majeure

The operation of an electricity generating plant is complex and involves many risks, including the breakdown or failure of power generation equipment, transmission lines or other equipment, or processes and performance below expected levels of output or efficiency, whether due to unexpected wear and tear, misuse, unexpected degradation or the increase in unplanned or forced outages, natural disasters and changes in Government policy. Additionally, we have entered into arrangements with IPPs which generate electricity for us and these IPPs are exposed to similar risks. While our contracts with IPPs anticipate for failures or performance below contracted levels of output or efficiency by IPPs and provide for compensation, such compensation may not be sufficient to cover the entire amount of loss or damage suffered by us. Any of the foregoing could have a material adverse effect on our revenues or increase the cost of operating, maintaining and repairing our electricity generating plants or any other power plant in which we currently hold an interest or may hold an interest in the future, thereby reducing net income and funds available to us.

Further, a certain amount of electric energy produced by our generators cannot be sold because it is lost, either through network loss or theft. Network loss represents a technical phenomenon for which the amount lost can be alleviated by investing in the rehabilitation of our distribution network. Theft of electric energy by our customers and non-customers also decreases our income. The value of electric energy losses as of December 31, 2017 was 8.8% of the total gross production, less our own use for 2017. We are unable to specifically differentiate between network losses and theft; however, based on our industry experience and internal calculations, we believe that most of these losses are technical in nature. An increase in the amount of electric energy that we produce but are unable to sell due to network loss or theft could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, our operations may be adversely affected by insufficient or poor-quality fuel resulting either from inadequate sources of supply or lack of adequate transportation and infrastructure. Although we maintain insurance against certain of these risks in relation to our operations and we expect to maintain or cause to be maintained insurance against certain of these risks in relation to future operations, in such amounts and including such coverage as is typical for power generation, transmission and distribution companies of equivalent scale, the proceeds of such insurance may not be adequate to cover reduced revenue, increased expenses or other liabilities arising from the occurrence of any of the events described above. The events described above may also be subject to limitations in such insurance coverage. The foregoing risks could materially and adversely affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Our operations are subject to Indonesian central, provincial and local environmental protection laws and regulations

Our operations are subject to Indonesian central, provincial and local environmental protection laws and regulations that currently impose base-level discharge fees for various polluting substances and graduated schedules of fees for the discharge of waste substances in excess of applicable standards, require the payment of fines for violations of laws, regulations or decrees and provide for the possible closure by the central, provincial or local government of any power plant which fails to comply with orders requiring it to cease or remedy certain activities causing environmental damage.

We are required to comply with various environmental regulations and file certain documents, such as the Analysis of Environmental Impact (“AMDAL”), Environment Management Plan (“RKL”) and the Environment Monitoring Plan (“RPL”), concerning the impact of our activities and are required to report the implementation of RKL and RPL. In addition, we are required to have implemented systems designed to monitor and control pollution caused by our electricity generating plants. In addition to complying with the requirements of AMDAL, under Law No. 32/2009 concerning Environmental Protection and Management (“New Environmental Law”), we are also required to obtain an environmental license.

We believe that we are in compliance in all material respects with these environmental laws. However, there can be no assurance that the Government will not impose new, stricter laws and regulations, which would require additional expenditure on environmental protection or that the costs of complying with environmental laws will not materially increase. In addition, we may be subject to liabilities stemming from the impact that our operations have on the environment. Compliance with environmental laws and regulations may also result in delays in the expansion and development of our generating plants and transmission and distribution systems. If the costs of complying with environmental laws increase or we become subject to liabilities stemming from the impact of our operations on the environment, it could materially or adversely affect our financial results. See “*Our Business — Environmental Matters.*”

Substantial leverage and debt service obligations from future financing could adversely affect our business and prevent us from fulfilling our obligations under the Notes

Subject to limitations under the Indenture and under the terms of the Notes, we will be permitted to incur additional indebtedness in the future. For a summary of our existing indebtedness as of the date of this Offering Memorandum, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness.*” Additional debt financing and the degree to which we will be leveraged in the future, on a consolidated basis, may place restrictions on us and have important consequences for the Noteholders, including, but not limited to:

- making it more difficult for our Company to satisfy our respective obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow from operations to the payment of principal of, and interest on, our consolidated indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting flexibility in planning for, or reacting to, changes in our businesses, the competitive environment and the industries in which we operate; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could materially and adversely affect our ability to satisfy debt obligations, including the Notes.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities

Under the terms and conditions of our existing debt, we are, and will be, among other things, restricted in our ability to:

- incur or guarantee additional indebtedness;
- create or incur certain liens;
- make dividends or other distributions with respect to our shares;
- prepay or redeem subordinated debt or equity;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to us from any of our restricted subsidiaries;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities; or
- consolidate or merge with other entities.

We are also required to comply with various financial covenants under the terms and conditions of our existing debt, including maintaining certain ratios such as a ratio of total financial liabilities to total assets not exceeding 80.0%, a ratio of Adjusted EBITDA to interest expense at a minimum of 2:1 or 1.5:1 and, for certain of our debt obligations, a ratio of power plant, transmission and distribution facilities to interest-bearing liabilities which are not secured by specific collateral at a minimum of 150.0% or 125.0%. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” and “*— Indebtedness.*”

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

We may not be able to successfully negotiate favorable fuel prices with Pertamina, our primary supplier of fuel oil

Pertamina was our sole supplier of fuel oil from our inception in 1945 to 2008. Since 2008 we have reduced our reliance on Pertamina but it continues to be our primary supplier of fuel oil. For a description of our arrangements with other fuel oil suppliers, see “*Our Business — Fuel and Lubricants Supplies — Fuel oil.*” We consumed approximately 5,479 million liters, 4,667 million liters and 3,598 million liters of fuel oil for the years ended December 31, 2015, 2016 and 2017, respectively.

On May 16, 2007, we entered into an agreement with Pertamina (the “2007 Pertamina Agreement”), which provides that Pertamina will sell and deliver high-speed diesel oil, intermediate diesel oil and marine fuel oil for our power plants and supporting facilities. This agreement has undergone numerous subsequent amendments, and is currently effective through December 31, 2020 (the “Pertamina Agreement”). Under the terms of the Pertamina Agreement, we are required to negotiate and finalize the price of fuel oil with Pertamina at least one month before the beginning of the following year. If we do not come to an agreement on the fuel oil price, it will remain the same as the previous year and adjustments will be made when a new price is agreed to. As we need to negotiate the price of fuel oil with Pertamina each year, we cannot provide assurance that Pertamina will continue to supply our Company or our subsidiaries with fuel at prices favorable to us or at all.

For example, we entered into agreements with Pertamina on the sales prices of high-speed diesel oil and marine fuel oil to be supplied by Pertamina for 2014 and 2015 based on recommendations of the Minister of Finance of the Republic of Indonesia and the Minister of Energy and Mineral Resources. We have also agreed on temporary prices for 2018 to 2020 and as of March 31, 2018, final prices for 2018 to 2020 were still being negotiated.

We remain dependent on Pertamina for our fuel oil supply. If we are unable to successfully negotiate favorable fuel oil prices with Pertamina or if we are unable to meet our demand for fuel or the price of fuel increases, it may materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Indonesia

We are established in Indonesia and almost all of our assets and operations are located in Indonesia. As a result, future political, economic, legal and social conditions in Indonesia, as well as certain actions and policies that the Government may, or may not, take or adopt, or omit from taking or adopting, could materially adversely affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Domestic, regional or global economic changes may materially and adversely affect the Indonesian economy and our business

Indonesia's economy was severely affected by the Asian financial crisis of 1997, and the crisis was characterized in Indonesia by, among other effects, currency depreciation, a significant decline in real gross domestic product ("GDP"), high interest rates, social unrest and extraordinary political developments. These conditions had a material adverse effect on Indonesian businesses, including our business and financial conditions. Indonesia entered a recessionary phase with relatively low levels of growth in between 1999 to 2002. More recently, Indonesia has been affected by the global economic crisis that began in late 2007, as evidenced by the decrease in its rate of growth to 6.1% in 2008 and 4.6% in 2009 due to a slowdown in the global economic growth rate. The Government has had to rely on the support of international agencies and governments to prevent sovereign debt defaults. The rate of growth has stabilized at higher levels in recent years. Indonesia's GDP growth rate was 6.0% in 2012, 5.6% in 2013, 5.0% in 2014, 4.8% in 2015, 5.0% in 2016 and 5.1% in 2017.

Outside of Indonesia, recent difficulties affecting the global financial sectors, adverse conditions and volatility in the United States and worldwide credit and financial markets, fluctuations in oil and commodity prices and the general weakness of the global economy have increased the uncertainty of global economic prospects in general. The global financial markets have experienced, and may continue to experience, significant turbulence originating from the liquidity shortfalls in the U.S. credit and sub-prime residential mortgage markets since 2008, which have caused liquidity problems resulting in bankruptcy for many institutions, and resulted in major government bailout packages for banks and other institutions. In addition, in 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU nations to continue to service their sovereign debt obligations. The current global recovery is proceeding at varying speeds across regions and is still subject to downside risks stemming from factors like fiscal fragility in advanced economies, slowing growth in the developing world, high sovereign debt levels, highly accommodative macroeconomic policies and persistent difficulties in access to credit. In particular, concerns regarding the continuing global economic uncertainties and slowing growth in the People's Republic of China continue to disrupt financial markets and weaken consumer demand in the European Union, the Asia-Pacific Region, the United States and other parts of the world. The United Kingdom's prospective withdrawal from the European Union, the United States' withdrawal from the Trans-Pacific Partnership in January 2017 and elections in key European countries such as France and Germany in 2017 have increased uncertainties in the global financial markets. If unfavorable global economic conditions continue or worsen, this may have a material adverse effect on Indonesian economy and our business. On August 5, 2011, S&P Global Ratings, a division of McGraw Hill Financial, Inc. ("Standard & Poor's") downgraded its sovereign credit rating of the U.S. government from AAA to AA+ and has maintained the rating of AA+ for the U.S. government since then. On July 13, 2011, Moody's placed the U.S. government under review for a possible credit ratings downgrade, and, on August 2, 2011, Moody's confirmed the U.S. government's existing sovereign rating, but stated that the rating outlook is negative. On August 2, 2011, Fitch affirmed its existing sovereign rating of the U.S. government, but stated that the rating is under review. There continues to be the perceived risk of a further sovereign credit ratings downgrade of the U.S. government, including the rating of U.S. Treasury securities and the rating of certain government sponsored enterprises such as Fannie Mae and Freddie Mac. It is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade.

In addition, on August 24, 2011, Moody's also downgraded its sovereign credit rating of Japan from Aa2 to Aa3. On May 22, 2012, Fitch Ratings placed Japan's credit rating on negative outlook.

Indonesia and other Association of Southeast Asian Nations countries have been negatively impacted, along with developing market countries globally, by the unprecedented financial and economic conditions in developed markets. Although the Government has taken a number of responses

to these unprecedented conditions with the aim of maintaining economic stability and public confidence in the Indonesian economy, continuation of these unprecedented conditions may negatively impact economic growth, the Government's fiscal position, the Rupiah's exchange rate and other facets of the Indonesian economy.

In addition, the Government continues to have a large fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Rupiah continues to be volatile and has poor liquidity, and the banking sector is weak and suffers from high levels of non-performing loans. Government funding requirements to areas affected by the December 2004 tsunami and other natural disasters, as well as increasing oil prices, may increase the Government's fiscal deficits. The economic difficulties faced by Indonesia during the Asian economic crisis that began in 1997 resulted in, among other things, volatility in interest rates, which had a material adverse impact on the ability of many Indonesian companies to service their existing indebtedness. While the interest rate for one-month Jakarta Interbank Offered Rate has declined from a peak of 70.8% in August 1998 to 5.03% on March 29, 2018, there can be no assurance that the recent improvement in economic condition will continue or the previous adverse economic condition in Indonesia and the rest of the Asia-Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the Indonesian financial markets and inhibit or reverse the growth of the Indonesian economy. Any such increased volatility, slowdown or negative growth could materially and adversely affect our business, financial condition, results of operations and prospects and our ability to make payments under the Notes.

The interpretation and implementation of legislation on governance in Indonesia is uncertain and may adversely affect us

During the administration of former President Soeharto, the central Government controlled almost all aspects of national and regional administration. Following the end of his administration in 1998, the Government enacted a number of laws to increase regional autonomy. Under these laws, regional governments have greater powers and responsibilities over the use of national assets to create a more balanced and equitable financial relationship with the central Government. Any new regulations, and the interpretation and implementation of those new regulations, may differ materially from the current legislative and regulatory framework and its current interpretation and implementation. We may also face conflicting claims between the central Government and regional governments regarding, among other things, jurisdiction over our operations and new or increased local taxes. The regional governments where our operations are located could adopt regulations, or interpret or implement the regional autonomy laws in a manner, that adversely affects our business operations and prospects. The Minister of Home Affairs of Indonesia has issued two Ministerial Instructions on February 16, 2016 and April 4, 2016, respectively, which mainly instruct all Governor and Mayor/Head of Regency in Indonesia to revoke/amend every regional regulations and decrees issued by both the regional government and the Mayor/Head of Regency which impede investment bureaucracy and licenses. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

Emerging markets such as Indonesia are subject to greater risks than developed markets, and if those risks were to materialize, their consequences could disrupt our business and could result in a loss to an investment

We have historically derived all of our revenue from operations in Indonesia, and we anticipate that we will continue to derive substantially all of our revenue from Indonesia. Emerging markets such as Indonesia have historically been characterized by significant volatility, and their political, social and economic conditions can differ significantly from those in more developed economies. Specific risks that could have a material impact on our business, results of operations, cash flows and financial condition include:

- political, social and economic instability;

- exchange rate volatility;
- acts of warfare, terrorism and civil conflicts;
- state intervention, including tariffs, protectionism and subsidies;
- regulatory, taxation and legal structure changes;
- liability for remedial actions under health and safety regulations;
- the cost and availability of adequate insurance coverage;
- difficulties and delays in obtaining or renewing licenses, permits and authorizations;
- arbitrary or inconsistent governmental action;
- deficiencies in transportation, energy and other infrastructure; and
- expropriation of assets.

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in investing in such markets. You should also note that political and related social developments in Indonesia that were unpredictable in the past, are subject to rapid change and, consequently, the information set out in this Offering Memorandum may become outdated relatively quickly. If any of the risks associated with investing in emerging markets, and in Indonesia in particular, were to materialize, our business, financial condition, results of operations and prospects could be materially adversely affected, and the value of your investment could decline significantly.

Political and social instability in Indonesia may adversely affect the economy, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects

Since the collapse of President Soeharto's regime in 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. As a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia's changing political landscape. Indonesia also has many political parties, without any one party winning a clear majority to date. These events have resulted in political instability, as well as general social and civil unrest on certain occasions in recent years.

For example, since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against the Government and Government officials, as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy, actions of former Government officials and their family members, the U.S.-led military campaigns in Afghanistan and Iraq and potential increases in electricity tariffs. Although these demonstrations were generally peaceful, some have turned violent. In June 2001, demonstrations and strikes affected at least 19 cities after the Government mandated a 30.0% increase in fuel prices. Similar demonstrations occurred in January 2003, when the Government again tried to increase fuel prices, as well as electricity rates and telephone charges. In both instances, the Government was forced to drop or substantially reduce the proposed increases. In March 2005, the Government implemented an approximately 29.0% increase in fuel prices. In October 2005, the Government implemented a new policy that resulted in a 120.0% increase in fuel prices. In response, several non-violent, mass protests were organized in opposition to the increases in oil-related fuel prices, and political tensions have resulted from the Government's

decision. There can be no assurance that this kind of situation in the future will not lead to further political and social instability. Pursuant to Presidential Regulation No. 8/2011, the Government increased electricity tariffs by 10.0% on average with retroactive effect from July 1, 2010. Some of our customers, particularly industrial customers, protested against the increased tariff. As a result, the Government decided to cap the maximum tariff increase at 18.0%, which was effective until December 31, 2010. Since January 2011, there has not been any cap on the tariff. There can be no assurance that any increase in tariff will not lead to further protests and revision. Additional tariff increases may result in similar protests and/or a reduction in the demand for electricity by our customers. There can be no assurance that such demonstration or future sources of discontent will not lead to further political and social instability. In addition, separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been clashes between supporters of those separatist movements and the Indonesian military. In Papua, continued activity by separatist rebels has led to violent incidents, in Maluku, clashes between religious groups have resulted in casualties and displaced persons and in the province of Kalimantan, clashes between ethnic groups have produced fatalities and refugees over the past several years. In recent years, the Government has made progress in negotiations with these troubled regions (including the peace agreement signed in Helsinki by the Government and the leaders of the Aceh separatist movement in August 2005), but has not been able to reach a successful resolution of all of the outstanding issues and there is no guarantee that the terms of any agreement reached between the Government and the separatists will be upheld. Human rights violators, including those from high-ranking military positions, have recently begun to be more actively prosecuted in Indonesia, most notably with respect to alleged violations occurring in Timor Leste (formerly East Timor), Aceh, Papua and Maluku. However, the success of these prosecutions has been mixed, and many public commentators and demonstrators have criticized the Government's failure to prosecute human rights violations in Indonesia more vigorously.

In 2004, Indonesians directly elected the President, Vice-President and representatives in the Indonesian Parliament (the "Parliament") for the first time. Indonesians have also begun directly electing heads and representatives of local and regional governments. It is likely that increased electoral activity will be accompanied by increased political activity in Indonesia. In April 2009, elections were held to elect the representatives in Parliament (including national, regional and local representatives). The Indonesian Presidential elections, held in July 2009, resulted in the re-election of President Susilo Bambang Yudhoyono. In the Presidential election held in July 2014, Joko Widodo was elected as the President of Indonesia. Although the April 2009, July 2009 and July 2014 elections were conducted in a peaceful manner, the recent challenge from the losing candidate in the 2014 presidential election and the delay of the conclusion of the election result, as well as political campaigns in Indonesia, may bring a degree of political and social uncertainty to Indonesia. In August 2014, the Constitutional Court of Indonesia decided in favor of the elected president, based on the Decision No. 1/PHPU.PRES-XII/2014 dated August 8, 2014. More recently, gubernatorial elections in Jakarta in February and April 2017 led to mass protests with religious undertone. Political and related social developments in Indonesia can result in civil disturbances that could directly or indirectly, materially and adversely affect our businesses, financial condition, results of operations and prospects.

Political and social developments in Indonesia have been unpredictable in the past and, as a result, confidence in the Indonesian economy has remained low. Any resurgence of political instability could adversely affect the Indonesian economy, which could adversely affect our business. There can be no assurance that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely, affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Indonesia is located in an earthquake zone and is subject to significant geological risk and other natural disasters that could lead to social unrest and economic loss

The Indonesian Archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive volcanoes, earthquakes and tsunamis, or tidal waves. In recent years, a number of natural disasters have occurred in Indonesia, including major earthquakes, which resulted in tsunamis and volcanic activity. In addition to these geological events, Indonesia has also been struck by other natural disasters such as heavy rains and flooding. All of the above resulted in loss of life, the displacement of large numbers of people and widespread destruction of property.

In 2015, earthquakes in Sorong, West Papua and Alor, Nusa Tenggara Timur damaged 7,843 houses and 74 public facilities. In June 2016, floods and landslides hit Purworejo, Central Java causing 81 deaths and total estimated loss of Rp.15.7 billion. On December 7, 2016, another earthquake shook Aceh resulting in 122 deaths and hundreds of injuries. This earthquake damaged 11,668 houses, 265 public facilities and ten government offices. In December 2017, Mount Sinabung in North Sumatra experienced its biggest eruption of the year and it produced large ash clouds in February 2018. The volcano, which had been silent for four centuries, came back to life in 2010 and has been erupting steadily since 2015, resulting in more than 3,000 families being displaced. The authorities have indicated that Mount Sinabung continues to show signs of volcanic activity and the possibility of a volcanic eruption remains. The alert level for Mount Sinabung may change at short notice. Meanwhile, Mount Agung on Bali has also been erupting since September 2017, causing the evacuation of 140,000 people. The authorities have indicated that Mount Agung continues to show signs of volcanic activity and the possibility of a volcanic eruption remains. These disasters resulted in 377 people killed or disappeared and 1,005 injured. Further, in January 2018, the capital city of Jakarta was rocked by a strong earthquake causing office and residential towers and hospitals to be evacuated and people to flee to the streets in panic. Overall, 2,341 natural disasters occurred in 2017 in Indonesia: 787 floods, 716 tornadoes, 614 landslides, 96 forest and land fires, 76 floods and landslides, 19 droughts, 20 earthquakes, 11 tidal waves and abrasion, and two volcanic eruptions. While recent seismic events, meteorological occurrences and natural disasters have not had a significant economic impact on Indonesia, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. Total government expenditure related to post-natural disaster relief efforts, according to the 2015, 2016, 2017 and 2018 state budgets amounted to Rp.4.0 trillion, Rp.4.5 trillion, Rp.5.2 trillion and Rp.6.7 trillion, respectively. A significant portion of these costs has been underwritten by foreign governments and international aid agencies. However, there can be no assurance that such aid will continue to be forthcoming, or that it will be delivered to recipients on a timely basis. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to strain the Government's finances and may affect its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could potentially trigger an event of default under numerous private-sector borrowings, including ours, thereby materially and adversely affecting our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

In addition, there can be no assurance that future geological or meteorological occurrences will not significantly harm the Indonesian economy. A significant earthquake or other geological disturbance or weather-related natural disasters in any of Indonesia's more populated cities and/or financial centers could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect us

The terrorist attacks in the United States, the United Kingdom, Paris, Moscow, Mumbai, Bali, Thailand and Jakarta, together with the military response by the United States and its allies in Afghanistan, continuing military activities in Iraq and ongoing civil war in Syria, have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response by the United States and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and the Indonesian economy.

In Indonesia, during the last two decades, there have been various bombings directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, including international hotels, the Jakarta Stock Exchange Building and Jakarta's Soekarno-Hatta International Airport. In 2002, over 200 people were killed in a bombing at a tourist area in Bali. In 2003, a bomb exploded at the JW Marriott Hotel in Jakarta, killing at least 13 people and injuring 149 others. In 2004, a car bomb exploded at the Australian Embassy in Jakarta, killing more than six people. In 2005, bomb blasts in Central Sulawesi killed at least 22 people and injured at least 60 people. Also in 2005, bomb blasts in Bali killed at least 23 people and injured at least 101 others. Indonesian, Australian and U.S. government officials have indicated that these bombings may be linked to an international terrorist organization. Demonstrations have also taken place in Indonesia in response to plans for and subsequent to U.S., British and Australian military action in Iraq. On July 17, 2009, bombs exploded at the Ritz Carlton and JW Marriott Hotel in Jakarta, killing seven people and injuring more than 50 others. On January 14, 2016, multiple explosions and gunfire took place near the Sarinah shopping mall in Central Jakarta that killed eight people and injured 23 people. The Islamic State of Iraq and the Levant claimed responsibility. Most recently, on May 24, 2017, two explosions occurred at a bus terminal in Kampung Melayu, East Jakarta. The bombings killed five civilians, three policemen and two attackers.

There can be no assurance that further terrorist acts will not occur in the future. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn our business. In addition, future terrorist acts may target our assets or our customers or facilities and our insurance policies generally do not cover terrorist attacks. Any terrorist attacks including damage to our assets, infrastructure or attacks on our customers, could interrupt parts of our business and materially and adversely affect our financial condition, results of operations and prospects and our ability to make payments under the Notes.

Outbreak of an infectious disease or any other serious public health concerns in Asia (including Indonesia) and elsewhere may adversely impact our business and financial condition

The outbreak of an infectious disease in Asia (including Indonesia) and elsewhere, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in Indonesia and thereby adversely impact our revenue. Examples are the outbreak in 2004 and 2005 of Avian influenza, or bird flu, in Asia, outbreak in 2009 of Influenza A, the outbreak of Middle East Respiratory Syndrome Corona Virus ("MERS") in 2015 and the recent outbreak of diphtheria, a potentially deadly disease most frequently affecting children. As of May 31, 2014, the Government reported 197 confirmed human cases of avian influenza in Indonesia, including 165 deaths. In spite of the implementation of avian influenza prevention and control measures, outbreaks in animals, particularly in birds, and in humans are expected to occur from time to time, as long as avian influenza remains endemic in many provinces in Indonesia. Human cases have been

decreasing every year, with the exception of 2011, from 55 cases in 2006, 42 cases in 2007, 24 cases in 2008, 21 cases in 2009, nine cases in 2010, 12 cases in 2011, nine cases in 2012, three cases in 2013 and one case in the first quarter of 2014. As of June 5, 2014, there have been no confirmed reports of MERS in Indonesia. Out of 129 suspected cases occurring across 19 provinces in Indonesia, laboratory testing confirmed 126 negative results with three further cases awaiting results. Worldwide, the WHO has indicated that MERS has been identified in as many as 19 countries with a total of 681 cases. No fully effective avian flu or MERS vaccines have been developed and effective vaccines may not be discovered in time to protect against a potential pandemic. A future outbreak of these or another contagious or infectious diseases or any other serious public health concern in Indonesia may adversely affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes. The perception that an outbreak of a contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

Labor activism, unrest, or increases in labor costs may materially and adversely affect our business, financial condition, results of operations and prospects

In March 2003, the Government enacted Law No. 13/2003 (the “Labor Law”) and has subsequently issued implementing regulations allowing employees to form unions and preventing unwanted interference from employers. The Labor Law, among other things, requires bipartite forums with participation from employers and employees and the participation of more than 50.0% of the employees of a company in order for a collective labor agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. The liberalization of regulations permitting the formation of labor unions combined with weak economic conditions has resulted, and will likely continue to result in, labor unrest and activism in Indonesia.

On October 11, 2013, we signed an addendum to the existing collective bargaining agreement between us and our labor union, United Workers of PT PLN (Persero), which expired in 2012 (“2012 Mutual Labor Agreement”) to extend the validity period of the 2012 Mutual Labor Agreement until a new collective bargaining agreement is agreed and signed. Subsequently, we agreed and signed a second addendum to the 2012 Mutual Labor Agreement which amended several provisions regarding implementation of health care, employee termination, marriage between employees, competency certification and employee performance management system in 2014. As of the date of this Offering Memorandum, the negotiation for the new collective bargaining agreement with United Workers of PT PLN (Persero) has not begun. There can be no assurance that our future negotiation with United Workers of PT PLN (Persero) will result in a collective bargaining agreement with commercially acceptable terms, or at all. Any significant delay or failure in reaching such an agreement could materially and adversely affect our business, financial condition, results of operations and prospects.

Labor unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, financial condition, results of operations and prospects, and our ability to make payments under the Notes.

Moreover, the Labor Law provides that an employer is not allowed to pay an employee wages below the minimum wage stipulated annually by the provincial, regional or city government. The minimum wage is set in accordance with the need for a decent standard of living, taking into consideration the productivity and growth of the economy. However, as there are no specific provisions on how to determine the amount of a minimum wage increase, minimum wage increases can be unpredictable. For instance, recently, the provincial government of Jakarta, through the Governor of DKI Jakarta Regulation No. 182 of 2017, which became effective on January 1, 2018, stipulated that the minimum wage for Jakarta for 2017 is approximately Rp.3.6 million per month, which represents an increase from the minimum wage for 2016 which was approximately Rp.3.4 million per month.

In particular, our expenses for security, cleaning, messengers and laborers are affected by increases in the minimum wages. Regional governments have the power to establish minimum wage requirements and do so from the beginning of each calendar year. Over the past ten years, minimum wage levels in various parts of Indonesia have increased significantly. For example, the minimum wage in Jakarta increased by 14.8% from 2015 to 2016, by 8.3% from 2016 to 2017 and by 8.7% from 2017 to 2018 and the minimum wage in Tangerang increased by 12.3% from 2015 to 2016, by 8.2% from 2016 to 2017 and by 8.7% from 2017 to 2018 and the minimum wage in Serang increased by 11.5% from 2015 to 2016, by 8.3% from 2016 to 2017 and by 8.7% from 2017 to 2018. Any national or regional inflation of wages will directly and indirectly increase our operating costs and thus decrease our profit margin.

Downgrades of credit ratings of Indonesia and Indonesian companies could materially and adversely affect us and the market price of the Notes

Several rating agencies, including Moody's and Standard & Poor's, have in the past downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Government and a large number of Indonesian banks and other companies. Currently, Indonesia's sovereign foreign currency long-term debt is rated "Baa3 (positive)" by Moody's, "BBB- (stable)" by Standard & Poor's, and "BBB (stable)" by Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. While the recent trend in Indonesian sovereign ratings has been positive, with Fitch lifting its sovereign credit rating of Indonesia to "BBB" from "BBB-" in December 2017, with Moody's lifting its sovereign credit rating of Indonesia to "investment grade" in 2012 and reaffirming its rating in March 2018, no assurance can be given that Moody's, Standard & Poor's, Fitch or any other rating agencies will not downgrade the credit ratings of Indonesia or Indonesian companies in general in the future. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on us and our ability to make payments under the Notes.

Indonesian accounting standards differ in certain respects from those in the United States

We prepare our consolidated financial statements in accordance with Indonesian GAAP/IFAS, which differs in certain respects from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP. As a result, our consolidated financial statements and reported earnings could be significantly different from those that would be reported under U.S. GAAP. This Offering Memorandum does not contain a reconciliation of our consolidated financial statements to U.S. GAAP, and there can be no assurance that such reconciliation would not reveal differences as differences exist between Indonesian GAAP/IFAS and U.S. GAAP which may be material to the financial information prepared and presented in accordance with Indonesian GAAP/IFAS contained in this Offering Memorandum. In making an investment decision, investors must rely upon their own examination of us, the terms of the Notes and the financial information contained in this Offering Memorandum. See "*Summary of Certain Differences Between Indonesian GAAP/IFAS and U.S. GAAP*" for a summary of certain accounting differences that may be applicable.

Agreements related to our business or to the Notes may be required to be prepared and executed in Bahasa Indonesia and the rights of the respective parties may ultimately be governed by the Bahasa Indonesia version of the documents

On July 9, 2009, the Government of Indonesia enacted Law 24/2009. Law 24/2009 requires an implementing regulation to be issued within two years of the date of its enactment. Article 31 of the Law 24/2009 obliges the use of Bahasa Indonesia in memoranda of understanding and agreements involving, among others, Indonesian private institutions or individuals. The elucidation of Article 31

of Law 24/2009 states that an agreement in this context includes international agreements made within the framework of public international law. Law 24/2009 does not specify whether: (i) the term “Indonesian private institutions” includes Indonesian companies or Indonesian branches of foreign companies; or (ii) the term “agreements” includes private commercial agreements.

Article 31 of Law 24/2009 further states that, if the agreements or memoranda of understanding involve foreign parties, the national language of those foreign parties and/or the English language can also be used. We presume that this means in addition to Bahasa Indonesia. The elucidation of Article 31 states that each version of an agreement executed in multiple languages is equally original.

However, if there is more than one language used in a single agreement, Law 24/2009 is silent on the governing language. Article 40 of the Law 24/2009 states that further stipulation on the use of Bahasa Indonesia shall be regulated by Presidential Regulation to be issued within two years of the date of the enactment of Law 24/2009. In 2014, the Government issued Government Regulation 57/2014 to give effect to certain provisions of Law No. 24/2009. Government Regulation 57/2014 focuses on the promotion and protection of the Indonesian language and literature and, while it is silent on the question of contractual language, it does serve as a reminder that contracts involving Indonesian parties must be executed in Bahasa Indonesia (although versions in other languages are also permitted). In addition to this implementing regulation, the Minister of State-Owned Enterprises has also issued a Circular Letter No. SE-12/MBU/2009 dated November 3, 2009, which recommends that any state-owned enterprise must use Bahasa Indonesia in every memorandum of understanding or agreement to which such state-owned enterprise is a party. MOLHR issued a clarification letter No. M.HH.UM.01.01-35 TAHUN 2009 dated December 28, 2009 regarding Clarification for Implication and Implementation of Law No. 24/2009 to clarify that the implementation of Law No. 24/2009 is contingent upon the enactment of a Presidential Regulation and until such a Presidential Regulation is enacted, any agreement that is executed prior to the enactment of the Presidential Regulation in English without a Bahasa Indonesia version, is still legal and valid, and shall not violate Law No. 24/2009. However, this letter was issued only as an opinion and does not fall within the hierarchy as stipulated in Article 7 of Law No. 12/2011 regarding the Formation of Laws and Regulations to be considered as a law or regulation and therefore has no legal force and, as at the date hereof, we cannot be certain that an Indonesian court would permit the English version to prevail or even consider the English version.

In addition, on June 20, 2013, the District Court of West Jakarta ruled in a decision No. 451/Pdt.G/2012/PN.Jkt Bar (the “June 2013 Decision”) that a loan agreement entered into between an Indonesian borrower, PT Bangun Karya Pratama Lestari, as plaintiff, and a non-Indonesian lender, Nine AM Ltd., as defendant, is null and void under Indonesian law. The governing law of the loan agreement was Indonesian law and the agreement was written in the English language. The court ruled that the agreement had contravened Article 31(1) of Law No. 24/2009 and declared it to be invalid. In arriving at this conclusion, the court relied on Articles 1320, 1335 and 1337 of the Indonesian Civil Code, which taken together render an agreement void if, *inter alia*, it is tainted by illegality. The court held that as the agreement had not been drafted in the Indonesian language, as required by Article 31(1), it therefore failed to satisfy the “lawful cause” (*sebab yang halal*) requirement and was void from the outset, meaning that a valid and binding agreement had never existed. The appeal on the June 2013 Decision was decided in favor of the plaintiff in Decision No. 48/PDT/2014/PT.DKI dated February 12, 2014. In addition, on August 31, 2015, the Supreme Court on the case registered No. 601 K/PDT/2015 affirmed the decision of the Jakarta High Court. As a consequence of the Supreme Court’s affirmation on the case registered No. 601 K/PDT/2015, every agreement that falls under the provisions of Law No. 24/2009 must be executed in Bahasa Indonesia (although versions in other languages are also permitted). Indonesian court decisions are generally not binding precedents and do not constitute a source of law at any level of the judicial hierarchy, as would typically be the case in common law jurisdictions such as the United States and the United Kingdom. However, there can be no assurance that a court will not, in the future, issue a similar decision to the June 2013 Decision in relation to the validity and enforceability of agreements which are made in the English language.

Although Law 24/2009 does not provide for sanctions for failure to comply, it is possible that future implementing regulations or court interpretations of existing law may invalidate or render null and void agreements that are not in compliance or could impose sanctions for failure to comply (which could include sanctions for entering into agreements that are not in the Indonesian language). Such invalidation or voiding of existing agreements or potential sanctions may materially adversely affect our business, financial condition, results of operations and prospects, as well as the ability of holders of the Notes to enforce their rights under the Notes.

The Indenture and Program Agreement entered into in connection with the Notes will be prepared in English and in Bahasa Indonesia pursuant to Law No. 24/2009 in bilingual documents. If agreements related to our business or to the Notes, including the Indenture governing the Notes, are governed by translations into Bahasa Indonesia, even if there is an English version available, the interpretation of those documents may differ from the interpretation that would normally be expected based on the English version. There can be no assurance that the English version will accurately reflect the meaning of the Bahasa Indonesia translation or that the Bahasa Indonesia translation will accurately reflect the meaning of the English version. There can also be no assurance that, in the event of inconsistency between the Bahasa Indonesia and English language translations of these documents, an Indonesian court would hold that the English language version of such documents would prevail. Some concepts in the English language may not have a corresponding term in Bahasa Indonesia, or may not be fully captured by the Bahasa Indonesia translation. If this occurs, there can be no assurance that the terms in the Indenture, Program Agreement and certain other documents entered into in connection with the Notes will be as described in this Offering Memorandum, or will be interpreted by the Indonesian court as intended.

Our payment obligations within Indonesia which are denominated in foreign currencies may be subject to sanctions

On June 28, 2011, the Government of Indonesia enacted Law No. 7 of 2011 on Currency (the “Currency Law”). Article 21(1) of the Currency Law obliges the mandatory use of the Rupiah in each transaction that is intended as a payment, for the settlement of other obligations that must be fulfilled with the use of money and/or in other financial transactions, which are conducted within Indonesia. Article 23 further prohibits any party from refusing to accept Rupiah as payment or in fulfillment of its obligations, which must be satisfied in Rupiah, and/or for other financial transactions in Indonesia except where there is doubt as to the authenticity of the Rupiah paid. Article 21(2) contains certain exceptions to the mandatory use of Rupiah for (i) specific transactions in the framework of implementing the state budget, (ii) grants to be given to or received from offshore sources, (iii) international trade transactions, (iv) foreign currency bank deposits and (v) international financing transactions. Article 23(2) contains an additional exemption from the mandatory use of Rupiah where payments or settlements of obligations in foreign currencies have been agreed in writing. Failure to comply with the above may result in an imprisonment of up to one year and fines of up to Rp.200 million for any violation and, if the violation is committed by a company, the imprisonment term and fines will be increased by one-third.

On March 31, 2015, Bank Indonesia issued PBI 17/3/2015 which was implemented by a Circular Letter of Bank Indonesia No. 17/11/DKSP on June 1, 2015 (“SEBI 17/11/2015”). Under PBI 17/3/2015, each party is required to use Rupiah for cash and non-cash transactions conducted within the territory of Indonesia, including for (i) each transaction with the purpose of payment, (ii) settlement of other obligations which must be satisfied with money or (iii) other financial transactions (including deposits of Rupiah in various amounts and types from customers to banks). Subject to further requirements under PBI 17/3/2015, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenue and expenditure, (ii) the receipt or provision of grants either from or to an overseas source, (iii) international trade transactions, including export or import of goods to or from outside Indonesia and activities relating to cross border trade in services, (iv) bank deposits denominated in foreign currencies, (v) international financing transactions and (vi) transactions in a currency other than Rupiah conducted in accordance with applicable laws, including, among others a bank’s business activities in a currency other than Rupiah

conducted based on applicable laws regarding conventional and sharia banks, securities in a currency other than Rupiah issued by the Government in a primary or secondary market based on applicable laws and other transactions in a currency other than Rupiah conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank).

In addition, the Currency Law and PBI 17/3/2015 also prohibit any party from rejecting Rupiah payments to settle obligations with respect to other financial transactions within Indonesia, unless there is uncertainty regarding the authenticity of the Rupiah received in respect to cash transactions, or the parties to the transaction have agreed in writing to the payment or settlement of obligations in a foreign currency. Article 10 of PBI 17/3/2015 further explains that the exemption based on such a written agreement between the parties is only applicable to an agreement made with respect to one of the above types of exempted transactions or transactions related to a strategic infrastructure project.

PBI 17/3/2015 takes effect from March 31, 2015, and the requirement to use Rupiah for non-cash transactions is effective from July 1, 2015. Written agreements which were signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in a currency other than Rupiah for non-cash transactions will remain effective until the expiration of such agreements. However, any extension or amendment of such agreements must comply with PBI and prohibitions from undertaking payment activities.

Further, SEBI 17/11/2015 stipulates that conditional exemptions may apply to certain infrastructure projects, such as electricity infrastructure, including power plants, including power development sourcing from geothermal and transmission or distribution of electricity. These exemptions apply if: (a) the project has been declared by the central or regional government as a strategic infrastructure project, as evidenced by a formal confirmation letter from the relevant ministry/institution with regards to the project owner; and (b) an exemption approval has been obtained from Bank Indonesia.

A failure to comply with the obligation to use Rupiah in cash transactions may result in criminal sanctions against the offender, in the form of fines and imprisonment. While a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warnings, (ii) fines, or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend to the relevant authority to revoke the business license or stop the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

We have payment obligations denominated in U.S. dollars within Indonesia under two-step loans, the lease agreement for Pembangkitan Tanjung Jati B, as well as certain gas supply agreements, PPAs and contracts for spare parts. If we are required by the Currency Law to make such payments in Rupiah, we may be in breach of our payment obligations under these contracts.

It may not be possible for investors to effect service of process or to enforce certain judgments against us outside of Indonesia

We are a state-owned limited liability company incorporated in Indonesia and our assets and operations are located in Indonesia. In addition, all of our commissioners and directors reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on us or our commissioners and directors outside Indonesia, or to enforce against us or our commissioners and directors' judgments obtained in non-Indonesian courts.

We have been advised by our Indonesian legal advisors that judgments of non-Indonesian courts are not enforceable in Indonesian courts, although such judgments could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. There is doubt as to whether Indonesian courts will enter judgments in original actions brought in Indonesian courts predicated

solely upon the civil liability or jurisdictions other than Indonesia. As a result, Noteholders would be required to pursue claims against us or our commissioners and directors in Indonesian courts. There can be no assurance that the claims or remedies available under Indonesian law will be the same, or as extensive, as those available in other jurisdictions.

Indonesian legal principles or their practical implementation by Indonesian courts differ materially from those that would apply within the United States or the European Union. Indonesia's legal system is a civil law system based on written statutes, and decided legal cases do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts do not necessarily have the same level of experience of courts of other countries with respect to the complexities of modern financial transactions and instruments and may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. The administration of laws and regulations by courts and government agencies may be subject to considerable discretion. There is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Indonesian judges operate in an inquisitorial system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit a clear articulation of the legal and factual analysis of the issues presented in a case. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty.

Furthermore, corruption in the court system in Indonesia has been widely reported in publicly available sources. Accordingly, it may not be possible for investors to obtain timely and equitable enforcement of their legal rights.

Corporate governance standards in Indonesia may differ from those in certain other countries

Corporate governance standards in Indonesia may differ from those applicable in other jurisdictions in significant ways, including the independence of the board of directors, the board of commissioners and the audit committee, and internal and external reporting standards. Accordingly, the directors and commissioners of Indonesian companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of Noteholders.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Notes subject to optional redemption

An optional redemption feature is likely to limit the market value of the Notes. During any period when we may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

We may be expected to redeem Notes when our cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-Paid Notes

We may issue Notes where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

Floating Rate Notes with a multiplier or other leverage factor

Notes with floating interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that we may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Our ability to convert the interest rate will affect the secondary market and the market value of such Notes since we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If we convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on our Notes.

Foreign Currency Notes

Notes denominated in foreign currencies are exposed to the risk of changing foreign exchange rates. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency, regardless of other market forces. Noteholders may risk losing their entire investment if exchange rates of the relevant currency do not move in the anticipated direction. This risk is in addition to any performance risk that relates to the Company or the type of note being issued. Rupiah-Denominated U.S. Dollar Settled Notes entail risks which are not associated with a similar investment in a U.S. dollar-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between Rupiah and U.S. dollars if such currency risk is not hedged, and the possibility of imposition or modification of exchange controls by Bank Indonesia. Such risks are usually dependent on various economic and political events over which the Company does not have any control.

Historically, exchange rates have been volatile and such volatility is possible in the near future as well. Historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in Indonesia or elsewhere could lead to significant and sudden changes in the exchange rate between the Rupiah and the U.S. dollar. If the Rupiah depreciates against the U.S. dollar the effective yield on the Notes will decrease below the interest rate on the Notes, and the amount payable on maturity may be less than the investment made by you. This could result in a total or substantial loss of the investment made by you in the Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes where denominations involve integral multiples

In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. A potential investor should ensure that he has sufficient knowledge and experience (either alone or with the help of a financial advisor) to make his own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Notes and that he considers the suitability of the Notes as an investment in light of his own circumstances and financial condition.

Change of law

The indenture governing the Notes is based on New York law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to New York law or administrative practice after the date of issue of the relevant Notes.

Limited liquidity of the Notes may affect the market price of the Notes

The Notes will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. The Notes are being offered, and may be resold, outside of the United States within the meaning of and in compliance with Regulation S under the Securities Act. The Notes may also be offered, and may be resold, within the United States to institutional investors that qualify as “qualified institutional buyers,” within the meaning of and in compliance with Rule 144A under the Securities Act; or pursuant to another exemption from the registration requirements of the Securities Act. Consequently, the Notes are subject to restrictions on transfer and resale.

The Notes are a new issue of securities with no established trading market. Application may be made for the listing and quotation of the Notes on the SGX-ST or the ISM. However, if for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted.

A liquid or active trading market for the Notes may not develop. If an active trading market for the Notes does not develop or does develop and is not maintained, the market price of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, our Company’s performance and other factors. See “*Subscription and Sale.*”

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR.

On July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted. Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR would be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which was applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

A downgrade in ratings may affect the market price of the Notes

Our Company has received long-term ratings of “BB” from Standard & Poor’s, “Baa2” from Moody’s and “BBB” from Fitch. The ratings reflect the ability of our Company to make timely payment of principal and interest on senior unsecured debts. A rating is not a recommendation to buy, sell or hold securities and may be subject to rescission, suspension or withdrawal at any time. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise

Our ability to make scheduled payments on the Notes and our ability to make payments on our indebtedness and our contractual obligations (see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness*”), and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which to a certain extent is

subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this “Risk Factors” section, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. No assurance can be given that we would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Payments under the Notes will be structurally subordinated to certain liabilities and obligations of our subsidiaries

We have only a shareholder’s claim on the assets of any subsidiary in our group. This shareholder’s claim is junior to the claims that creditors of any such subsidiary have against it. As a result, all liabilities of any of our subsidiaries on the Issue Date of the Notes, including any claims of trade creditors and preferred stockholders of our subsidiaries, will be effectively senior in right of payment to the Notes. As of December 31, 2017, our subsidiaries had an outstanding aggregate principal amount of Rp.25,008 billion (other than the aggregate principal amount of outstanding guaranteed notes amounting to U.S.\$2.5 billion of Majapahit Holding B.V., which has been guaranteed by us, as of December 31, 2017) in total liabilities and obligations to third parties (other than deferred tax liabilities). In addition, all of the secured liabilities and obligations of our subsidiaries will be effectively senior in right of payment to the Notes. Any of these subsidiaries may in the future have other liabilities, including contingent and secured liabilities, that may be significant. Although the indenture governing the Notes contains limitations on the amount of additional debt (including secured debt) that we and our subsidiaries may incur, the amounts of such debt could be substantial. See “*Description of the Notes — Covenants — Negative Pledge.*”

The Notes will be subordinated to secured obligations of our Company

The Notes will be direct, general and unconditional obligations of our Company and will rank *pari passu* in right of payment to all existing and future unsecured and unsubordinated indebtedness of our Company. The Notes will be effectively subordinated to any secured obligations of our Company to the extent of the assets serving as security therefor. In bankruptcy, the holder of a security interest with respect to any assets of our Company will be entitled to have the proceeds of such assets applied to the payment of such holder’s claim before the remaining proceeds, if any, are applied to the claims of the Noteholders. As of December 31, 2017, our Company had outstanding an aggregate amount of Rp.15,713 billion (U.S.\$1,160 million) in secured debt. While our Company’s ability to incur secured obligations will be limited under the indenture governing the Notes, our Company may in the future incur additional secured obligations and the amount of those obligations could be very substantial.

The Government may provide financial support to third parties in support of our commercial obligations, which may not be available to Noteholders in respect of the Notes

The Government has in the past provided financial support in the form of letters of support given to third parties for our Company’s commercial obligations. In addition, the Government has provided an irrevocable and unconditional guarantee on loans we incurred to finance our development projects in connection with the Fast Track Program I pursuant to Presidential Regulation No. 86/2006 on Government Guarantee for Acceleration of Contraction of Coal Power Generator as amended by Presidential Regulation No. 91/2007. Pursuant to MOF Regulation No. 130/PMK.08/2016 (“MOF Regulation 130/2016”), the Government is also required to provide business viability guarantees in connection with the acceleration of electricity infrastructure projects pursuant to Presidential Regulation No. 4/2016, as amended by Presidential Regulation No. 14/2017, upon a proposal submitted by our Company and subject to certain conditions. The Government may also provide additional letters of support in connection with our commercial obligations, including our obligations to ECAs in relation to the Fast Track Programs, to multi-lateral lending agencies and/or to commercial lenders. There can be no assurance that, if such Government financial support is provided to ECAs, multi-lateral lending agencies or commercial lenders, any similar financial support will also be given

to the Noteholders. The benefit of financial support from the Government or other credit enhancement will not be available to the Noteholders or be required to be given to Noteholders under the terms of the Indenture. In such event, Noteholders may be at a disadvantage to other creditors of the Company and the credit rating of the Notes may be adversely affected.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of a Change of Control Triggering Event as required by the indenture governing the Notes

Upon the occurrence of a “Change of Control Triggering Event,” as such term is defined in the indenture governing the Notes, we are required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101.0% of the principal amount of the Notes. If a Change of Control Triggering Event were to occur, no assurance can be given that we would have sufficient funds available at such time to pay the purchase price of the outstanding Notes. A Change of Control Triggering Event may result in an event of default under, or acceleration of, other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the Change of Control Triggering Event itself does not.

The Change of Control Triggering Event provision contained in the indenture governing the Notes may not necessarily afford Noteholders protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization, sale of all or substantially all assets or other similar transaction involving our Company that may adversely affect Noteholders, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “Change of Control Triggering Event.” Except as described under “*Description of the Notes — Change of Control Triggering Event*,” the indenture governing the Notes does not contain provisions that require our Company to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization, sale of all or substantially all assets or similar transaction.

Risks Relating to the Market Generally

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold

The Notes have not been registered under, and we are not obligated to register the Notes under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See “*Subscription and Sale*.” We have not agreed to or otherwise undertaken to register the Notes (including by way of an exchange offer).

The secondary market for the Notes may never develop or may not be liquid

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency, credit or market risks, and/or are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

We will pay principal and interest on the Notes in the currency specified (the “Settlement Currency”). This presents certain risks relating to currency conversions if an investor’s financial activities are

denominated principally in a currency or currency unit (the “Investor’s Currency”) other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settlement Currency would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The market value of the Notes may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of our Company and political, economic, financial and any other factors that can affect the capital markets, the industry and our Company generally. Adverse economic developments, acts of war and health hazards in Indonesia could have a material adverse effect on our Company’s operations, operating results, business, financial position and performance.

Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Series of Notes

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

See “— Domestic, regional or global economic changes may materially and adversely affect the Indonesian economy and our business” on the recent downgrade of the U.S. government’s sovereign credit rating by Standard & Poor’s and the recent financial crisis in Europe concerning the sovereign debt of certain European nations.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised, downgraded or withdrawn by the assigning rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

RELATIONSHIP WITH THE GOVERNMENT

Prior to September 23, 2009, our operations were governed by the Old Electricity Law. The Old Electricity Law was enacted on the basis that an adequate and reliable supply of electricity is instrumental to improve public welfare and promote economic activity in Indonesia. The Old Electricity Law provided control over the business of supplying electricity to a state-owned enterprise appointed by the Government. In 1994, we were appointed as the holder of the Electricity Business Proxy (“PKUK”) and were specifically assigned the task of providing electric power to the public, and carrying out other supporting businesses, by the Government.

Under the New Electricity Law, electricity supply in Indonesia is no longer executed by the state and carried out by us as the holder of the PKUK. Instead, the electricity supply is controlled by the state and conducted by the central Government and the regional governments through state-owned enterprises, such as our Company, regional-owned enterprises, private entities or corporations who have licenses to supply electricity.

We have entered into a range of transactions with the Government and entities controlled by the Government and it is expected that we will enter into similar transactions in the future. The Government provides support to us through subsidies to cover cost gaps, extensions of government loan maturities, conversion of overdue interest, guarantees and penalty charges into equity, waivers of interest on certain tax payment deferrals, and by granting us additional time to pay for fuel supplied to us by Pertamina. Further, in the ordinary course of our business, we have dealt with and will from time to time deal with other companies owned or controlled by the Government.

Government as Shareholder

As of December 31, 2017, the Government, represented by the Ministry of State-Owned Enterprises, owned 100.0% of our shares. We believe the Government is committed to our financial soundness as part of its objective to ensure a stable electricity supply in Indonesia. Pursuant to Presidential Regulation No. 71/2006, as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, the Government has mandated us to accelerate the development of coal-fired electricity generating plants of an aggregate capacity of 9,927 MW. Approximately 97.0% of these plants have been completed and were in operation in 2017 pursuant to the Fast Track Program I in order to reduce our reliance on oil and the Government’s subsidy and to meet rising electricity demands in Indonesia. Pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011, Presidential Regulation No. 194/2014, and supplemented by MEMR Regulation No. 15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014, the Government has mandated us to procure a further 17,428 MW of renewable energy, gas and coal-fired electricity plants in order to fulfill increasing energy demand beyond the completion of Fast Track Program I and by using more environmentally friendly energy resources through the Fast Track Program II. Electricity subsidies are included in the state budget and current regulations require the Government to cover any loss we incur as a result of Government-regulated electricity tariffs falling below our cost of providing electricity to customers. See *“Risk Factors — Risks Relating to our Business and Operations — We are subject to the control of the Government, whose interests may differ from our interests,” “Regulation of the Indonesian Electricity Sector”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations and Financial Condition — Subsidies.”*

Government as Lender and Provider of Subsidies

We source financing in various forms from the Government and related entities. As a result of Government assistance during the Asian financial crisis in 1997, we did not default on or restructure our bonds or bank loans in response to that crisis and repaid debt of Rp.20.7 trillion from 1998 to 2003. The Government also waived its interest installments on tax deferments (arising from an asset revaluation exercise undertaken in 2002) until December 15, 2005.

The Government has provided the following types of financing to us:

Two-step loans

These comprise overseas loans from such entities as the IBRD, ADB, KfW and JBIC, among others, extended to the Government, which in turn lent an equivalent amount to our Company to finance our projects. There is no collateral for these loans, for which the Government remains the primary obligor. Our two-step loans amounting to Rp.34,221 billion (U.S.\$2,526 million) as of December 31, 2017.

Investment Fund Account No. RDI-393/DP3/2001

On July 25, 2001, pursuant to a letter from the Ministry of Finance, our Company and the Government agreed to restructure the overdue principal of two-step loans amounting to Rp.5,288 billion. The restructured loan is unsecured, has a period of 20 years, including a two-year grace period, bears interest at 4.0% per annum. This loan will be repaid in semi-annual installments of Rp.147 billion until July 30, 2021.

The Government also approved the capitalization of overdue interest and penalties amounting to Rp.28,781 billion into additional Government equity participation.

Loan to finance capital expenditures

Pursuant to Presidential Regulation No. 9/2011, the Government is required to provide a Rp.7,500 billion loan to our Company to offset the financing gap faced by our Company attributable to the procurement and replacement of transformers, the fortification and installation of transmission and distribution lines and other investment projects, subject to certain conditions. The loan was provided from the State Budget of Revenue and Expenditure of Fiscal Year 2010 as determined under Law No. 47 of 2009, and subsequently amended under Law No. 2 of 2010. As of December 31, 2017, the total drawdowns from this facility were Rp.7,500 billion. This loan has been used to finance the procurement and replacement of transformers, strengthening of the installation, transmission and distribution and also other capital expenditures. This loan has been transferred to PT Sarana Multi Infrastruktur (Persero) as of December 23, 2015 pursuant to Law No. 3 of 2015 and Government Regulation No. 95 of 2015.

Business viability guarantees

Pursuant to MOF Regulation 130/2016, the Government is required to provide a business viability guarantee letter (“Business Viability Guarantee Letter”) for the benefit of the relevant IPPs to ensure the viability of our Company to fulfill our financial obligations to IPPs based on PPAs entered into by us and the relevant IPPs, which include: (i) payment obligation to purchase electricity and/or (ii) payment obligation for non-electricity purchases. The non-electricity purchase obligation includes the Company’s payment obligations under PPAs in case political risks or other events that we cannot remedy (non-remediable events) materialize, which would result in the obligation for us to purchase projects at a purchase price based on formulas as set out in the relevant PPAs.

The Business Viability Guarantee Letter is granted based on application submitted by us to the Minister of Finance before conducting procurement of an electricity infrastructure development.

Subsidies

In 2003, Law No. 19/2003 on State-Owned Enterprises was introduced, which provided that, if a state-owned enterprise is specifically assigned by the Government to undertake a public utility function and such assignment is not financially feasible, the Government must compensate all of its costs. Because we are a state-owned enterprise and were appointed as the holder of PKUK and electricity tariffs are set by the Government, which in most instances do not cover our costs of production and distribution, the Government is obligated to compensate us for the difference between our cost to produce the electricity we sell and the prices we are permitted to charge our customers for that electricity under the tariff rates set by the Government. Pursuant to the MEMR Regulation No. 28/2016, the Government applied a tariff adjustment mechanism for 13 types of customers. However, the tariff adjustment has only been implemented for 12 types of customers that represented in aggregate 65.0% of the overall sales as planned under the 2017 state budget. As the tariff rates for certain residential customers have been below our cost of production, the Government pays us an electricity subsidy to compensate for differences between our production costs and these tariffs and a PSO Margin set at 7.0% above the cost of electricity to meet our finance costs for borrowings related to capital expenditures. The subsidy mechanism is defined in the Minister of Finance Regulation No. 44/PMK.02/2017, as amended by the Minister of Finance Regulation No. 162/PMK.02/2017. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations and Financial Condition — Subsidies*” and “*Regulation of the Indonesian Electricity Sector — Subsidies.*” In 2017, subsidies set aside for us accounted for 2.6% of the Government budget.

Government as Regulator

The Government regulates the generation, transmission and distribution of electricity in Indonesia through the MEMR. In particular, the Government’s policies on matters such as electricity tariffs and subsidies could have a significant effect on our competitive position, operations and financial condition. See “*Regulation of the Indonesian Electricity Sector — Subsidies.*”

Regulatory Framework and Relationship with the Government

We are wholly-owned by the Government. Our Commissioners and Directors are appointed by our shareholder, represented by the Ministry of State-Owned Enterprises. The Government agencies listed below have the following supervisory roles:

- The Parliament reviews and approves the state budget, which includes the subsidies to be paid to us. The Government consults with the Parliament with respect to our electricity tariffs.
- The Ministry of State-Owned Enterprises approves our annual budget, including the amount of our subsidies, at our shareholders’ meetings and our long-term investments and funding plans of over one year.
- The Ministry of Finance monitors our finances and provides offshore loans, grants and subsidies to us. The Ministry of Finance and BAPPENAS approve investment projects which form part of the Government budget.
- The MEMR is our main regulator. This ministry prepares our electricity tariff proposals. Electricity tariffs are then set by the President of Indonesia after consultation with the Parliament. The MEMR issues licenses, policies and regulations relating to electricity sales from and procurement methodologies with IPPs and issues the national electricity general plan.

- BAPPENAS is responsible for setting out national investment policy and granting approval for offshore loans, grants and investment projects which form part of the Government budget. BAPPENAS reviews and gives approval for electricity projects proposed by us to be financed by the Government budget.
- The Ministry of the Environment monitors compliance with environmental laws.

Government as Supplier

Transactions with Pertamina

Pertamina is our primary supplier of fuel oil. Pertamina is the Indonesian state-owned oil and gas company. As of December 31, 2017, Pertamina supplied approximately 88.5% of our demand for fuel oil. On May 16, 2007, we entered into the 2007 Pertamina Agreement, which was effective from January 1, 2007 until December 31, 2015 and was amended in 2009, 2010, 2011 and 2017, extending the expiry date to December 31, 2020. The fuel oil prices under the Pertamina Agreement are based on MOPS. Generally, we negotiate and finalize the price of fuel oil with Pertamina at least one month before the beginning of the following year. If we do not come to an agreement on the fuel oil price, it remains the same as the previous year and adjustments are made when a new price is agreed. The agreed prices of high-speed diesel oil and marine fuel oil for the period January 1, 2017 to June 30, 2017 were MOPS plus a margin of 7.0% and 9.5%, respectively, and for the period July 1, 2017 to December 31, 2017 were MOPS plus a margin of 4.6% and 9.1%, respectively, and consumption of up to 4.3 million kiloliters of fuel oil supplied from all supply points specified by Pertamina. As of the date of this Offering Memorandum, we have not reached an agreement with Pertamina on the fuel oil price for 2018 to 2020 and we determine the temporary prices of high-speed diesel oil and marine fuel oil on a monthly basis with reference to MOPS.

We have entered into agreements with Pertamina for the supply of natural gas to the Keramasan electricity generating plants, ending in 2020. Pertamina also supplied natural gas to the Muara Tawar, Gresik and Tanjung Batu electricity generating plants; the relevant agreements have ended in 2018, 2018 and 2017 respectively, and are currently under negotiation for renewal by PLN and its subsidiary. Furthermore, we have entered into an agreement with Pertamina for the procurement and supply of geothermal steam to the Kamojang electricity generating plants for 25 years until 2041, the Gunung Salak and the Drajat electricity generating plants for 30 years until 2040 and 2047, respectively, and the Lahendong electricity generating plant for 30 years until 2040. In addition, we have secured concessions from the Government in geothermal areas to develop geothermal power plant projects such as the Ulumbu project (with total planned capacity of 40 MW), Mataloko project (with total planned capacity of 20 MW) and Tulehu project (with total planned capacity of 20 MW). We have also made proposals to the Government for additional geothermal area concessions for future development.

Transactions with PT Tambang Batubara Bukit Asam (Persero) Tbk

Our main coal supplier is PT Tambang Batubara Bukit Asam (Persero) Tbk (“PTBA”), a state-owned enterprise. Coal procured from PTBA is supplied to Suralaya SCPP, Paiton Baru SCPP, Labuan Angin SCPP, Labuan SCPP, Suralaya Baru SCPP, Indramayu SCPP, Pacitan SCPP, Rembang SCPP, Lontar SCPP, Pelabuhan Ratu SCPP, Adipala SCPP and Tanjung Awar — Awar SCPP.

Transactions with PGN

We have a number of natural gas purchase agreements with PT Perusahaan Gas Negara (Persero) Tbk (“PGN”), the state-owned natural gas utility, to procure and supply natural gas to Cilegon CCPP, Talang Duku CCPP, gas engine and turbine in Lampung, and various gas turbine units in Batam Island whose termination dates will fall between 2018 and 2021. Since April 2016, PGN have also been supplying natural gas to Priok CCPP, Muara Karang CCPP and Muara Tawar CCPP on a temporary basis while we negotiate commercial terms of the natural gas purchase agreements with PGN. As of the date of this Offering Memorandum, the negotiation is ongoing.

Government as Customer

A number of other state-owned enterprises, such as PT Krakatau Steel (Persero), are our customers. In addition, we supply electricity to Government offices and state-owned hospitals. We also provide electricity for public lighting.

PSAK No. 7, (revised 2010) “Related Party Disclosures” of Indonesian GAAP/IFAS provides that Government departments and agencies, which include state-owned enterprises, are considered related parties. The transactions of our Company with the Government and state-owned enterprises were disclosed in our Company’s restated consolidated financial statements, included elsewhere in this Offering Memorandum.

Electricity Tariff Rates and Cost of Fuel Oil

The Government sets the electricity tariff rates, which are the prices we can charge for the electricity we sell. See “*Regulation of the Indonesian Electricity Sector.*” Historically, our operating expenses have exceeded the electricity tariffs and, as a result, we have relied on Government subsidies to cover our costs. The cost of fuel oil is a significant contributor to our costs, as our price for fuel oil fluctuates monthly, based on market price (MOPS). For the year ended December 31, 2017, fuel oil accounted for 8.5% of our operating expenses and 19.9% of our total fuel and lubricants expenses.

The price for high-speed diesel, which has historically accounted for a majority of our fuel oil expenses (approximately 89.1%, 84.1%, 79.8% and 78.3% for the years ended December 31, 2014, 2015, 2016 and 2017, respectively), has varied in the past four years, from Rp.10,321 per liter in December 2014 to Rp.6,562 per liter in December 2017, representing the average price across our regions of coverage. We have also experienced difficulties in obtaining a sufficient supply of natural gas. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations,*” “*Our Business — Suppliers*” and “*Risk Factors — We may not be able to secure sufficient supplies of natural gas or coal, which could adversely affect our business.*”

Fast Track Program I

In order to reduce our reliance on fuel oil and pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, the Government introduced the Fast Track Programs, the first phase of which, the Fast Track Program I, originally mandated us to build new coal-fired electricity generating plants at 40 locations in Indonesia, comprising ten plants with an aggregate capacity of 6,900 MW in Java-Bali and 30 plants with an aggregate capacity of 2,022 MW outside Java-Bali. This was subsequently amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014 which increased the mandate to 42 locations, including ten plants with an aggregate capacity of 7,490 MW in Java-Bali and 32 plants with an aggregate capacity of 2,437 MW outside Java-Bali. Two of the 42 originally mandated locations have been combined into one location, three locations have since been terminated due to difficulties involving conditions of the sites and EPC contractors, and four locations have been reserved for future development, resulting in 34 locations with active development for 9,927 MW under the Fast Track Program I. As of December 31, 2017, out of 34 locations with an aggregate capacity of 9,927 MW, 27 locations representing approximately 97% of total capacity (9,640 MW) were in operation, while the other seven locations representing approximately 3% of total capacity (287 MW) are expected to begin operations in 2018 (177 MW) and 2019 (110 MW), respectively. The generating plants under the Fast Track Program I that completed in 2017 became operational five years later than originally planned due to issues relating to availability of land and the performance of contractors. As of December 31, 2017, we had incurred a total of Rp.164,611 billion (U.S.\$12,150 million) in costs related to the Fast Track Program I pertaining to construction and renovation of generation development projects, transmission development projects and the related capitalized borrowing costs.

Generation Development Projects

By replacing approximately 3,500 MW of our fuel oil-fired electricity generation capacity with coal-fired and other generation capacities under the Fast Track Program I and by expanding our non-fuel oil-fired electricity generation capacity, we have reduced our fuel oil-based generation production from 35.3% of our total generation production in 2006 to approximately 5.6% in 2017. We believe that decreasing fuel costs will also decrease our reliance on Government subsidies to us. The Fast Track Program I's other objectives include accelerating the development of Indonesia's electricity infrastructure and enabling us to meet rising domestic electricity demands.

We invited contractors to submit bids as part of a tender process for each Fast Track Program I project. At the conclusion of the tender process, we entered into an EPC contract with the contractor that submitted the winning bid. As of December 31, 2017, we had signed 34 EPC contracts for building coal-fired electricity generating plants in ten locations in Java-Bali with an aggregate capacity of 7,490 MW and in 24 locations outside Java-Bali with an aggregate capacity of 2,437 MW. In general, the terms of some of our EPC contracts provide that we will, in cooperation with the contractor, obtain export credit or other bank financing from one or more banks for approximately 85.0% of the contract price and that we will pay the contractor a down payment of approximately 15.0% of the contract price. Under certain EPC contracts, we are required to obtain such financing within 90 or 120 days of the contract date, depending on the relevant contract. If we do not obtain such financing, we will enter into negotiations with the relevant contractor to agree how financing will be obtained. As of the date of this Offering Memorandum, we have secured financing in the form of export credits and other bank financing for generating plants at 33 out of the 34 locations and we have completed construction of generating plants at 27 locations with 9,640 MW in operation, equal to approximately 97% of the total planned capacity of 9,927 MW, while the other seven locations representing approximately 3% of total capacity, or 287 MW, are expected to bring 177 MW into operation in 2018, and the remaining 110 MW in 2019. See "*Risk Factors — Risks Relating to our Business and Operations — We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.*"

Transmission Development Projects

We have been constructing new substations and transmission lines since 2008 throughout Indonesia. Some of the projects are related directly to the Fast Track Program I and some of them are regular construction programs as stated in our electricity general master plan.

In Java, we are constructing transmission lines of 150 kV and 500kV of approximately 1,597 kilometers-circuits with a substation capacity of 1,530 MVA. In Sumatra, we are constructing transmission lines of 70 kV, 150 kV and 275 kV of approximately 409 kilometers-circuits with a substation capacity of 150 MVA. In Kalimantan, we are constructing transmission lines of 150 kV of approximately 184 kilometers-circuits with a substation capacity of 90 MVA. In Sulawesi and Nusa Tenggara, we are constructing transmission lines of 150 kV of approximately 615 kilometers-circuits with a substation capacity of 295 MVA. In Maluku and Papua, we are constructing transmission lines of 150 kV of approximately 94 kilometers-circuits with a substation capacity of 60 MVA.

As of December 31, 2017, a total of 2,899 kilometers-circuits of transmissions lines has been directly connected to the Fast Track Program I infrastructure and the amount of our investments in transmission development projects under the Fast Track Program I reached approximately Rp.9,947 billion. We estimate the total remaining investments required by the EPC contracts for the Fast Track Program I to amount to approximately Rp.342 billion plus U.S.\$20 million for transmission development projects.

Some upgrading projects have also been conducted due to the existing limitation of the current flow in the existing transmission lines. Accordingly, the upgrading program included the direct extension to the new power plants to be built under the Fast Track Program I and resulted in the increase in the sales to our customers. From January 1, 2012 to December 31, 2017, we upgraded approximately 1,627

kilometer-circuits of existing transmission lines in the Java area, to distribute all of the power produced by the new power plants to be built under the Fast Track Program I, IPPs and our other projects. As of December 31, 2017, the total contract amount, which consists of contract numbers 102.PJ/611/P3B/2008, 199.PJ/611/P3B/2008 and 098.PJ/611/P3B/2008, for upgrading the existing electricity facility in the Java area was approximately Rp.631.3 billion.

Financing for Fast Track Program I

The following table sets forth the generation projects in Java-Bali, and the amount of financing required for the U.S. dollars portion and the Rupiah portion of the contract price under the relevant EPCs under the Fast Track Program I as of December 31, 2017:

Location	Province	Government	Actual	Total	U.S. dollars	Indonesia	Contract date ⁽¹⁾	Contract progress
		mandated Total capacity	contractual capacity	contractual capacity	portion required	Rupiah portion required		
		(MW)	(MW)	(MW)	(U.S.\$ millions)	(Rp billions)	(%)	
Suralaya.....	Banten	600	1 x 625	625	284 ⁽²⁾	735 ⁽²⁾	March 2007	100
Labuan.....	Banten	600	2 x 300	600	289 ⁽²⁾	1,077 ⁽²⁾	March 2007	100
Indramayu.....	West Java	900	3 x 330	990	592 ⁽²⁾	1,273 ⁽²⁾	March 2007	100
Rembang.....	Central Java	600	2 x 315	630	262 ⁽²⁾	1,911 ⁽²⁾	March 2007	100
Paiton.....	East Java	600	1 x 660	660	331 ⁽²⁾	601 ⁽²⁾	March 2007	100
Pelabuhan Ratu ..	West Java	900	3 x 350	1,050	482 ⁽²⁾	1,874 ⁽²⁾	August 2007	100
Pacitan.....	East Java	600	2 x 315	630	293 ⁽²⁾	1,046 ⁽²⁾	August 2007	100
Teluk Naga.....	Banten	900	3 x 315	945	455 ⁽²⁾	1,607 ⁽²⁾	August 2007	100
Adipala, Cilacap.	Central Java	600	1 x 660	660	468 ⁽²⁾	1,890 ⁽²⁾	December 2008	100
Tanjung Awar-Awar.....	East Java	600	2 x 350	700	372	1,155 ⁽²⁾	April 2008	100
Total.....		6,900		7,490	3,828	13,169		

Notes:

(1) Starting date of EPC contract for the location.

(2) As of December 31, 2017, each location has been in operation for the aggregate total contractual capacity of 7,490 MW.

The following table sets forth the generation projects outside Java-Bali, and the amount of financing required for the U.S. dollars portion and the Rupiah portion of the contract price under the relevant EPCs under the Fast Track Program I as of December 31, 2017:

Location	Province	Government	Actual	Total	U.S. dollars	Indonesia	Contract date ⁽¹⁾	Contract progress ⁽²⁾	Expected capacity in the year commercial operations commence ⁽²⁾⁽³⁾	
		mandated total capacity	contractual capacity	contractual capacity	portion required	Rupiah portion required			2018	2019
		(MW)	(MW)	(MW)	(U.S.\$ millions)	(Rp billions)	(%)			
Meulaboh.....	Nanggroe Aceh Darussalam	2 x (100-150)	2 x 110	220	124	614	April 2008	100	—	—
Pangkalan Susu.....	North Sumatra	2 x (100-150) and 2 x (100-150)	2 x 220	440	209	781	October 2007	100	—	—
Teluk Sirih.....	West Sumatra	2 x (100-150)	2 x 112	224	138	521	May 2008	100	—	—
Tj. Balai Karimun Baru.....	Riau	2 x 7	2 x 7	14	7	71	June 2008	100	—	—
Bangka Baru.....	Bangka	2 x 25	2 x 30	60	23	317	July 2008	100	—	—
Belitung Baru.....	Bangka Belitung	2 x 15	2 x 16.5	33	24	142	June 2008	100	—	—

Location	Province	Government mandated total capacity	Actual contractual capacity	Total contractual capacity	U.S. dollars portion required	Indonesia Rupiah portion required	Contract date ⁽¹⁾	Contract progress ⁽²⁾	Expected capacity in the year commercial operations commence ⁽²⁾⁽³⁾	
									2018	2019
		(MW)	(MW)	(MW)	(U.S.\$ millions)	(Rp billions)	(%)			
Tarahan Baru	Lampung	2 x (100-150)	2 x 100	200	119	460	October 2007	100	—	—
Singkawang Baru	West Kalimantan	2 x 50	2 x 27.5	55	3	172	June 2008	87	—	55
Asam-Asam	South Kalimantan	2 x 65	2 x 65	130	84	313	July 2008	100	—	—
Pulang Pisau	Central Kalimantan	2 x 65	2 x 60	120	62	414	January 2008	100	—	—
Kendari	South East Sulawesi	2 x 10	2 x 10	20	10	97	January 2008	100	—	—
Gorontalo Baru	Gorontalo	2 x 25	2 x 25	50	26	265	July 2012	71	25	25
Amurang Baru	North Sulawesi	2 x 25	2 x 25	50	27	305	October 2007	100	—	—
Baru	South Sulawesi	2 x 50	2 x 50	100	52	380	July 2008	100	—	—
Bima	West Nusa Tenggara	2 x 7	2 x 10	20	8	120	June 2008	4	20	—
Lombok	West Nusa Tenggara	2 x 25	2 x 25	50	24	274	October 2007	93	25	—
Ende	East Nusa Tenggara	2 x 7	2 x 7	14	8	73	January 2008	94	7	—
Kupang	East Nusa Tenggara	2 x 15	2 x 16.5	33	23	135	June 2008	100	—	—
Tidore	North Maluku	2 x 7	2 x 7	14	10	100	June 2008	100	—	—
Jayapura Baru	Papua	2 x 7	2 x 10	20	14	141	July 2008	96	—	—
Parit Baru	West Kalimantan	2 x 50	2 x 50	100	62	392	June 2009	86	100	—
Kaltim	East Kalimantan	2 x 100	2 x 110	220	117	991	December 2010	100	—	—
Tanayan	Riau	2 x 100	2 x 110	220	116	1,019	December 2010	100	—	—
Ambon	Maluku	2 x 7	2 x 15	30	21	186	April 2010	69	—	30
Total				<u>2,437</u>	<u>1,339</u>	<u>8,283</u>			<u>177</u>	<u>110</u>

Notes:

- (1) Date of EPC contract for the location.
- (2) In the table above, where the contract progress ratio is below 100% for projects in operation as of December 31, 2017, this indicates that there are minor requirements and items not yet delivered by the EPC contractors for the issuance of taking over certificates, i.e. submission of regulatory documents, post-construction inspections, post-construction 1-year warranty requirements, etc.
- (3) As of December 31, 2017, 150 MW out of 2,437 MW, total contractual capacity, has been in operation while 177 MW and 110 MW are expected to be in operation by 2018 and 2019, respectively.

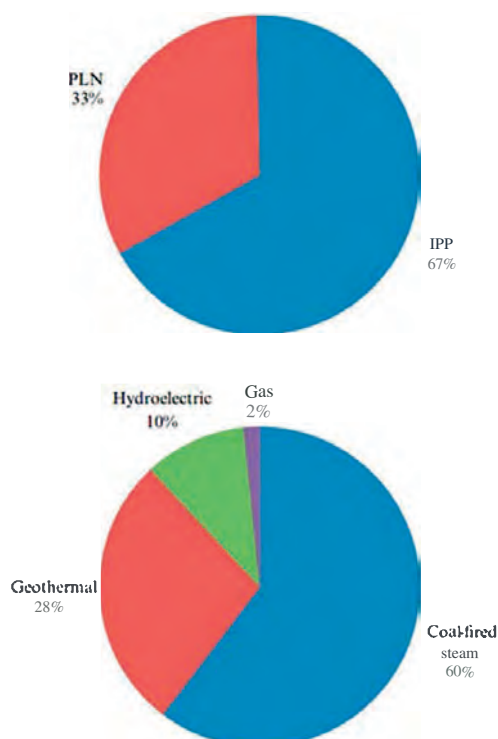
As of December 31, 2017, we had incurred a total of Rp.164,611 billion (U.S.\$12,150 million) in costs related to the Fast Track Program I pertaining to construction and renovation of generation development projects, transmission development projects and the related capitalized borrowing costs. We estimate the total remaining investments required by the EPC contracts for Fast Track Program I (including Value Added Tax at 10.0%) to amount to approximately Rp.995 billion plus U.S.\$675 million for generation development projects and Rp.342 billion plus U.S.\$20 million for transmission development projects.

Fast Track Program II

Under the Fast Track Program II, pursuant to Presidential Regulation No. 4/2010, as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014 and supplemented by MEMR Regulation No. 15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014, we have been mandated to procure 17,428 MW (including power generation capacities of IPPs) of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia beyond that provided by completion of Fast Track Program I.

The focus of Fast Track Program II will be on utilizing renewable sources in order to address global warming issues. The private sector has been invited to participate in electricity development under the Fast Track Program II as IPPs are responsible for providing 11,629 MW of energy mandated to be procured.

The following charts set out the division of obligations between our Company and IPPs under the Fast Track Program II and the proportions of the types of electricity generating plants to be built:



Funding for completion of plants that are able to generate our share of the Fast Track Program II's obligations, equivalent to 5,799 MW, will be provided through a combination of allocations from the state budget, two-step loans, bank loans, capital markets and internal sources.

Pursuant to Presidential Regulation No. 4 of 2010 as amended by Presidential Regulation No. 48 of 2011 and Presidential Regulation No. 194 of 2014, the Government is required to provide business viability guarantees to our Company for undertaking power plant projects, including IPP projects listed in MEMR Regulation 15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014. Moreover, pursuant to MOF Regulation 130/2016, the Government is required to provide a Business Viability Guarantee Letter to ensure the viability of our Company to fulfill our financial obligations to the IPPs based on PPAs entered into by us and the relevant IPPs. Please see "*Relationship with the Government — Business viability guarantees.*" We estimate the total investment required by the EPC contracts for both our Company and the IPPs under the Fast Track Program II to amount to

approximately U.S.\$27,056 million for generation development projects and approximately U.S.\$408 million for transmission development projects. As of December 31, 2017, we had drawn down U.S.\$507 million under loans relating to the Fast Track Program II (excluding IPPs).

The following table sets forth the planned generation projects in Java-Bali under the Fast Track Program II (excluding IPPs) as of December 31, 2017:

Location	Province	Fuel	Type	Government mandated total capacity (MW)
PLTU Indramayu.....	West Java	Coal	ST ⁽¹⁾	1 x 1,000
PLTU Jawa 6	Central Java	Coal	ST ⁽¹⁾	2 x 1,000
PLTA Jatigede.....	West Java	Hydroelectric	HT ⁽²⁾	2 x 55
PLTA Upper Cisokan.....	West Java	Hydroelectric	HT ⁽²⁾	4 x 260
Total				<u>4,150</u>

Notes:

- (1) ST refers to steam turbine.
- (2) HT refers to hydroelectric turbine.

The following table sets forth the planned generation projects outside Java-Bali under the Fast Track Program II (excluding IPPs) as of December 31, 2017:

Location	Province	Fuel	Type	Government mandated total capacity (MW)
PLTP Sungai Penuh	Jambi	Geothermal	GT ⁽³⁾	2 x 55
PLTP Hululais	Bengkulu	Geothermal	GT ⁽³⁾	2 x 55
PLTP Kotamobagu 1 & 2.....	North Sulawesi	Geothermal	GT ⁽³⁾	2 x 20
PLTP Kotamobagu 3 & 4.....	North Sulawesi	Geothermal	GT ⁽³⁾	2 x 20
PLTP Sembalun	West Nusa Tenggara	Geothermal	GT ⁽³⁾	2 x 10
PLTP Tulehu.....	Maluku	Geothermal	GT ⁽³⁾	2 x 10
PLTA Asahan III.....	North Sumatra	Hydroelectric	HT ⁽⁴⁾	2 x 87
PLTA Masang	West Sumatra	Hydroelectric	HT ⁽⁴⁾	55
PLTU Pangkalan Susu 3 & 4 ⁽¹⁾	North Sumatra	Coal	ST ⁽⁵⁾	2 x 200
PLTU Parit Baru ⁽¹⁾	West Kalimantan	Coal	ST ⁽⁵⁾	2 x 50
PLTU Takalar ⁽¹⁾⁽²⁾	South Sulawesi	Coal	ST ⁽⁵⁾	2 x 100
PLTU Lombok ⁽¹⁾	West Nusa Tenggara	Coal	ST ⁽⁵⁾	2 x 50
PLTMG Bangkanai ⁽¹⁾⁽²⁾	Central Kalimantan	Gas	G ⁽⁶⁾	<u>280</u>
Total				<u>1,649</u>

Notes:

- (1) The EPC contract has been signed in respect of this location and under construction stage. We have signed a loan agreement with the lenders to provide the required funding for this location.
- (2) As of December 31, 2017, 155 MW of PLTMG Bangkanai and PLTU Takalar #1 100 MW was in operation.
- (3) GT refers to geothermal turbine.
- (4) HT refers to hydroelectric turbine.
- (5) ST refers to steam turbine.
- (6) G refers to gas turbine.

Some of the major projects to take place under the Fast Track Program II mandate include the PLTU Jawa 6 project (“Jawa 6”) (2 x 1,000 MW), the PLTA Upper Cisokan project (“Upper Cisokan”) (1,040 MW) and PLTU Indramayu (“Indramayu”) (1,000 MW). Jawa 6 is expected to be operational in 2025 with an estimated capital expenditure of approximately U.S.\$3.0 billion. Indramayu is expected to be operational in 2019 with an estimated capital expenditure of U.S.\$1.8 billion, which will be funded by JICA. Indramayu will utilize the latest coal-fire technology and is currently in the bid document preparation stage. Upper Cisokan is a hydroelectric pump storage power plant. Engineering consultants have been appointed for Upper Cisokan and Upper Cisokan is expected to be operational in 2020 with an estimated capital expenditure of U.S.\$800 million, which is funded by the World Bank. The Government signed the loan agreement with the World Bank in November 2011 and the two-step loan agreement with us in February 2012. As of the date of this Offering Memorandum, we have signed the loan agreements for the Upper Cisokan project, the PLTA Asahan III hydroelectric power plant project, the PLTU Pangkalan Susu 3 & 4 coal-fired power plant, PLTU Parit Baru coal-fired power plant project, the PLTU Punagaya coal-fired power plant project and the PLTMG Bangkanai gas-fired power plant project and PLTU Lombok.

As of December 31, 2017, of the 17,428 MW total planned capacity under the Fast Track Program II, eight Fast Track Program II projects (including IPPs) comprising a total capacity of 755 MW, or approximately 4% of the total planned capacity of 17,428 MW, were in operation; 5,836 MW (or 33.5% of the total planned capacity of 17,428 MW) were at the construction stage; 3,325 MW (or 19.1% of the total planned capacity of 17,428 MW) were at the financial close stage; and 7,507 MW (or 43.1% of the total planned capacity of 17,428 MW) were at the planning and procurement stage. All projects under Fast Track Program II are expected to be operational by 2027.

As of the date hereof, operating projects consist of five geothermal power plants located at Patuha, Kamojang, Ulubelu, Lahendong and Sarulla #1 and #2, one gas power plant at Bangkanai 2, and one hydroelectric generating plant at Wampu, and one steam turbine power plant located at Takalar-Punagaya #1. Parit Baru, Pangkalan Susu 3 & 4, Punagaya #2, Jawa 4, Jawa 1, Kalsel-1, Kaltim-2, and Lombok FTP2, all Steam turbine power plants, Karaha Bodas 1, Lumut Balai 1, Sarulla #3 and Muaralaboh #1, all geothermal power plants, and Jatigede, Upper Cisokan, Semangka, Malea and Hasang, all hydroelectric power plants, are at the construction stage. Several projects, including the geothermal power plants at Rajabasa, Patuha 2 & 3, Rantau Dadap, Ungaran, Ijen, Baturaden, Cisolok, Guci, Rawa Dano, Tampomas, Tangkuban Perahu I, Wilis, Sorik Merapi, Jaboi, Sokoria, Dieng 2 & 3 and one steam turbine power plant and Jawa-3, are at the financing stage.

35,000 MW Program

In early 2015, the Government launched the 35,000 MW Program with a goal of increasing Indonesia’s electrification ratio to above 97.9% by the end of 2019. Pursuant to MEMR Ministerial Decree No. 5899.K/20/MEM/2016, we published a plan for the 35,000 MW Program, outlining our mandate from the Government to develop the 35,000 MW Program, as well as the necessary transmission and distribution network, to be completed between 2015 and 2019, in addition to other projects such as 7,000 MW power plants under the Fast Track Program II. In March 2018, pursuant to the National Electricity Business Plan (RUPTL) 2018-2027, the Government adjusted the target completion dates and capacities under this program to 15,600 MW by the end of 2019 and 35,000 MW by the end of 2024. We have recalibrated our plan for the 35,000 MW Program according to the adjusted target completion dates and capacities.

We expect that developing new power plants with complete transmission and distribution infrastructure (substation) under the 35,000 MW Program will require a total of approximately Rp.1,127 trillion (U.S.\$87 billion) in funding. Due to the significant amount of the funding required, more than 75.2% (approximately 26,920 MW) of total development of power plants is to be assigned to the private sector through the IPP mechanism. The remaining 24.8% (approximately 8,911 MW) of the program’s target will be developed directly by us, along with the required transmission and distribution infrastructure. The required funding for electricity development has been and will be

sourced from our internal funding as well as external sources. Internal funding consists of business profits, while external funding may be in the form of two-step loans, the Government's loan through an investment account, national and international bonds, as well as other loans from commercial banks.

As of December 31, 2017, the 35,000 MW Program had achieved the following milestones:

- power-generating assets totalling 1,358 MW, consisting of 466 MW from PLN's power plants and 892 MW from IPP's power plants, have commenced operation;
- power-generating assets totalling 5,657 MW are in the construction stage under the ownership of PLN, including a 1,040 MW hydroelectric power plant in Upper Cisokan Pump Storage and power-generating assets totalling 11,439 MW are in the construction stage under the ownership of IPP;
- power-generating assets totalling 12,724 MW are under signed PPAs under the IPP scheme;
- power-generating assets totalling 2,894 MW are at the procurement stage;
- power-generating assets totalling 1,788 MW are still at the planning stage; and
- electrification ratio has increased from 89.1% in 2016 to 95.1% in 2017.

As a result, 12,724 MW mandated under the 35,000 MW Program were under signed contracts/PPAs as of December 31, 2017. In addition, for the year ended December 31, 2017, as part of PLN's steps taken to support and ensure the success of the 35,000 MW Program, we have hired 4,454 new employees. We also assessed the performance of PLN employees and promoted 69, 191 and 159 employees to upper, middle and basic management positions, respectively, based on their performance.

EXCHANGE RATES AND EXCHANGE CONTROLS

Exchange Rates

Bank Indonesia is the sole issuer of the Indonesian Rupiah and is responsible for maintaining the stability of the Indonesian Rupiah. Since 1970, Indonesia has implemented three exchange rate systems: (i) a fixed rate between 1970 and 1978; (ii) a managed floating exchange rate system between 1978 and 1997; and (iii) a free-floating exchange rate system since August 14, 1997. Under the second system, Bank Indonesia maintained the stability of the Indonesian Rupiah through a trading band policy, pursuant to which Bank Indonesia would enter the foreign currency market and buy or sell Indonesian Rupiah, as required, when trading in the Indonesian Rupiah exceeded bid and offer prices announced by Bank Indonesia on a daily basis. On August 14, 1997, Bank Indonesia terminated the trading band policy and permitted the exchange rate for the Indonesian Rupiah to float without an announced level at which it would intervene, which resulted in a substantial decrease in the value of the Indonesian Rupiah relative to the U.S. dollar. Under the current system, the exchange rate of the Rupiah is determined solely by the market, reflecting the interaction of supply and demand in the market. Bank Indonesia may take measures, however, to maintain a stable exchange rate.

The following table shows the exchange rate of Indonesian Rupiah to U.S. dollars based on the middle exchange rates on the last day of each month during the year or period indicated. The Indonesian Rupiah middle exchange rate is calculated based on Bank Indonesia's buying and selling rates. Neither we nor the Dealers make any representations that the U.S. dollar amounts referred to in this Offering Memorandum could have been or could be converted into Indonesian Rupiah at the rate indicated or any other rate, or at all.

	Exchange rates ⁽¹⁾⁽²⁾			
	Low	High	Average	Period end
	<i>(Rp. per U.S.\$)</i>			
2013	12,270	9,634	10,451	12,189
2014	12,900	11,271	11,878	12,440
2015	14,728	12,444	13,458	13,795
2016	13,846	12,998	13,330	13,436
2017	13,154	13,630	13,392	13,548
2018				
January	13,290	13,542	13,380	13,413
February.....	13,402	13,707	13,590	13,707
March	13,708	13,794	13,758	13,756
April (through April 24, 2018)	13,747	13,900	13,782	13,900

Notes:

- (1) For full years, the high and low amounts are determined, and the average shown is calculated, based upon the middle exchange rate announced by Bank Indonesia on the last day of each month during the year indicated.
- (2) For each month, the high and low amounts are determined, and the average shown is calculated, based on the daily middle exchange rate announced by Bank Indonesia during the month indicated.

Source: Bank Indonesia

The middle exchange rate on March 31, 2018 was Rp.13,756 = U.S.\$1.00.

The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Indonesian Rupiah.

Exchange Controls

Indonesia has limited foreign exchange controls. Foreign currency is generally freely transferable within or from Indonesia. However, to maintain the stability of the Rupiah, and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah to banks domiciled outside Indonesia or to an offshore branch or office of an Indonesian bank, or any investment in Rupiah denomination with foreign parties and/or Indonesian citizens domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all persons and legal entities that are domiciled, or plan to be domiciled in Indonesia for at least one year. Bank Indonesia regulations also require resident banks and companies that have total assets or total annual gross revenues of at least Rp.100 billion to report to Bank Indonesia all data concerning their foreign currency activities. The transactions that must be reported include receipt and payment through bank accounts outside of Indonesia.

Pursuant to the Bank Indonesia Regulation No. 18/18/PBI/2016 concerning Foreign Exchange Transactions against Rupiah between Banks and Domestic Parties (“PBI 18/18/2016”), any foreign exchange transaction against Rupiah between commercial banks in Indonesia and Indonesian citizens or non-commercial bank legal entities domiciled in Indonesia (“Domestic Customer”) must be based on a contract. Under this regulation, a foreign exchange transaction is defined as a sale/purchase transaction of foreign currencies against Rupiah in the form of (i) spot transactions, or (ii) foreign exchange derivative against Rupiah which consist of standard (plain vanilla) foreign exchange derivative transactions against Rupiah in the form of forwards, swaps, options, and cross currency swap and foreign exchange structured product transaction against Rupiah in the form of call spread option. In case (i) the purchase of foreign currency in the form of a spot transaction is in an amount exceeding U.S.\$25,000 per month (or its equivalent), (ii) the purchase of foreign currency in the form of derivative transaction is in an amount exceeding U.S.\$100,000 per month (or its equivalent), (iii) the sale of foreign currencies against Rupiah through forward or option transactions exceeds U.S.\$5,000,000 and U.S.\$1,000,000 (or its equivalent) per transaction per Domestic Customer, or (iv) the purchase of foreign currency in the form of call spread action, there must be an underlying transaction. An underlying transaction is defined as an activity underlying the purchase or sale of foreign currencies against Rupiah, including the trade of goods and services (including income and expense estimation), investment in the form of direct investment, portfolio investment, loans, capital, and other investments, both domestic and overseas and/or provision of credit or bank financing in foreign currency and/or in Rupiah for trading and investment activity, excluding placement of funds in commercial banks in Indonesia (among others in the form of savings, demand deposits, time deposits, and negotiable certificates of deposit) transferring funds by a funds transfer company, undisbursed loan facility (among others in the form of standby loan and undisbursed loan), and the use of the negotiable instrument of Bank Indonesia in foreign exchange. However, the requirement for having an underlying transaction is not applicable for settlements of initial derivative transactions performed through: (i) a roll over (provided that the roll over shall not exceed with the term of the underlying transaction), (ii) early termination, or (iii) an unwinding transaction. Further, the amount of foreign currencies that will be purchased or sold must be at the most equal to the nominal value of the underlying transaction and the term of derivative transaction may not exceed the term of the underlying transaction.

Any Domestic Customer conducting a foreign exchange transaction against Rupiah exceeding the above threshold will be required to submit certain supporting documents to the transacting bank, including among others, the relevant underlying transaction document and a duly stamped statement or authenticated written statement confirming (i) that the underlying transaction document is valid, (ii) that the purchase or sale of foreign currencies against Rupiah shall not exceed the nominal value of

underlying transactions in banking system in Indonesia, and (iii) in case the underlying transaction document is only an estimation, the total needs, purpose of utilisation, and date of foreign currencies utilisation (except for the sale of foreign currencies against Rupiah through forward or option transactions).

For the purchase of foreign currency in the form of a spot transaction not exceeding U.S.\$25,000 and a standard derivative transaction not exceeding U.S.\$100,000, such Domestic Customer must declare in a duly stamped letter or authenticated written statement that its aggregate foreign currency purchases do not exceed each threshold (as applicable) per month in the Indonesian banking system.

Similar provisions apply to foreign parties pursuant to Bank Indonesia Regulation No. 18/19/PBI/2016 concerning Foreign Exchange Transactions against Rupiah between Banks and Foreign Parties (“PBI 18/19/2016”). Key differences include that (i) the definition of underlying transaction does not include utilisation of Bank Indonesia to provide credit or bank financing in foreign currency and/or in Rupiah for trading and investment activity, and (ii) the threshold of U.S.\$1,000,000 (or its equivalent) applies for purchasing derivative transactions and selling derivative transactions, per transaction or per outstanding position of transaction.

As at the implementation of PBI 18/18/2016, on December 13, 2016, Bank Indonesia issued Bank Indonesia Circular Letter No. 18/34/DPPK which further provides detailed underlying transaction requirements and examples for the implementation of PBI 18/18/2016 (“SEBI 18/34”). To implement PBI 18/19/2016, Bank Indonesia issued Circular Letter No. 18/35/DPPK on December 13, 2016 (“SEBI 18/35”). SEBI 18/34 and SEBI 18/35 provide that the relevant underlying transaction documents must be accompanied by a written authenticated statement letter certifying that the relevant purchase of foreign currency does not exceed the relevant monthly threshold. This statement may be in the form of an official e-mail, SWIFT message, negative confirmation or business internet banking. All underlying transaction documents must be submitted to the relevant bank within the following prescribed timeline in accordance with the type of transaction: (i) for spot transactions, at least on value date; (ii) for plain vanilla derivative transactions, at least five business days after transaction date; and (iii) if the derivative transaction will due less than five business days after transaction date, at the latest on maturity date.

USE OF PROCEEDS

We intend to use the proceeds from the issue of each Tranche of Notes to complete the Tender Offers, partially fund our capital expenditure requirements and for general corporate purposes relating to the 35,000 MW Program or as set forth in the Pricing Supplement applicable to the Notes.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the consolidated capitalization and indebtedness of our Company as of December 31, 2017.

This table should be read in conjunction with “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements as of December 31, 2017 and the related notes thereto, included in this Offering Memorandum.

	Actual	
	As of December 31, 2017	
	Rp.	U.S.\$ ⁽⁵⁾
	<i>(Rp. billions and U.S.\$ millions)</i>	
Long Term Debt⁽¹⁾		
Current Maturities of Long-term Debt⁽¹⁾		
Secured debt ⁽²⁾	4,872	360
Unsecured debt ⁽³⁾	32,223	2,378
Total current maturities of long-term debt⁽¹⁾	37,095	2,738
Long-term Debt⁽¹⁾ — net of current maturities		
Secured debt ⁽²⁾	15,713	1,160
Unsecured debt	264,186	19,500
Total long-term debt⁽¹⁾ — net of current maturities	279,900	20,660
Total Debt⁽¹⁾	316,995	23,398
Equity		
Capital stock	109,827	8,107
Additional paid-in capital	20,871	1,541
Retained earnings ⁽⁴⁾	119,758	8,222
Other comprehensive income	618,462	45,650
Non-controlling interest	498	37
Total Equity	869,417	63,556
Total Capitalization	1,185,746	86,954

Notes:

- (1) Debt represents all interest-bearing liabilities such as two-step loans, Government loans, lease liabilities, electricity purchase payable, bank loans and bonds payable.
- (2) Secured debt accounts for our lease liabilities and KIK — EBA (asset-backed securities).
- (3) In January 2017, we fully settled the PLN XI 2010 Series A Bonds (in the amount of Rp.920 billion) and the PLN IV 2010 Series A Sukuk Ijara (in the amount of Rp.130 billion). In June 2017, we fully settled the Global Bonds II Series A (in the amount of U.S.\$500 million) and in July 2017, we fully settled the PLN IX 2007 Series A Bonds (in the amount of Rp.1,500 billion) and PLN II 2007 Sukuk Ijara (in the amount of Rp.300 billion).
- (4) Retained earnings is the sum of appropriated and unappropriated retained earnings.
- (5) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Since December 31, 2017, we have entered into new loan agreements in connection with the projects for the 35,000 MW Program, namely, Sumbagut-2 Peaker project (in principal amount of up to EUR107,548,060.90), Tambak Lorok Block 3 project (in principal amount of up to U.S.\$201,745,495.46), and Lombok Coal Fired Steam Power Plant Project (in principal amount of up to EUR80,816,250). As at the date hereof, we have not yet drawn any amount under these long-term unsecured bank loans.

Except as stated above, there has been no material change in our capitalization and indebtedness since December 31, 2017.

SELECTED FINANCIAL INFORMATION

You should read the following discussion in conjunction with (i) the sections captioned “Presentation of Financial Information,” “Summary Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” (ii) our audited restated consolidated financial statements as of and for the year ended December 31, 2015, (iii) our audited restated consolidated financial statements as of and for the year ended December 31, 2016, and (iv) our audited consolidated financial statements as of and for the year ended December 31, 2017, and, in each case, the notes thereto, which are included elsewhere in this Offering Memorandum. Our consolidated financial statements as of and for the year ended December 31, 2015, were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) and our consolidated financial statements as of and for each of the years ended December 31, 2016 and 2017 were audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network), in each case in accordance with the Standards on Auditing established by the Indonesian Institute of Certified Public Accountants as stated in their reports included elsewhere in this Offering Memorandum.

Our consolidated financial statements as of and for the year ended December 31, 2015 have been prepared in accordance with IFAS, and our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 have been prepared in accordance with Indonesian GAAP included elsewhere in this Offering Memorandum and are presented in Rupiah, our reporting currency. Indonesian GAAP/IFAS differs in certain respects from accounting principles generally accepted in countries and jurisdictions other than Indonesia, including U.S. GAAP. In making an investment decision, you should rely upon your own examination of the terms of the Offering and the financial information included in this Offering Memorandum. You should consult your own financial advisors for an understanding of the differences between Indonesian GAAP/IFAS and other GAAP you may be more familiar with, including U.S. GAAP, and how these differences may affect the financial information included in this Offering Memorandum. For a discussion of certain differences between Indonesian GAAP/IFAS and U.S. GAAP, see “Summary of Certain Differences Between Indonesian GAAP/IFAS and U.S. GAAP.”

Solely for convenience, in this section certain amounts in Rupiah have been translated into U.S. dollar amounts. See “Exchange Rates” and “Presentation of Financial Information” for further detail.

Restatement of Prior Years’ Comparative Consolidated Financial Statements

Restatement of the consolidated financial statements as of and for the year ended December 31, 2016

On May 8, 2017, MEMR issued a letter relating to the realization of our electricity transmission losses, and on August 31, 2017, the Audit Board issued the August 2017 Audit Report. As a result of a change in the assumptions used for the calculation of losses as agreed between MEMR and the Audit Board, the August 2017 Audit Report determined that the correct amount of the electricity subsidy that we receive from the Government that we should recognize in our consolidated statement of profit and loss for 2016 was Rp.58,043 billion, and not Rp.60,442 billion as reported in our previously issued financial statements for 2016. As a result, we restated the line item “Government’s electricity subsidy” in the profit and loss statement in our consolidated financial statements for 2016 to Rp.58,043 billion, and made related adjustments to other items such as “Operating Income After Subsidy” and “Income for the Year”. As a result of this restatement, KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network) reissued an unmodified audit opinion dated January 8, 2018 on our restated consolidated financial statements for 2016. See Note 58 to our consolidated financial statements as of and for the year ended December 31, 2016. This change does not have any impact to our consolidated financial statements as of and for the year ended December 31, 2015.

Restatement of the consolidated financial statements as of and for the year ended December 31, 2015

Since January 1, 2012, we have applied the provisions of Interpretations of ISFAS 8. ISFAS 8 provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30. SFAS 30 provides guidance in determining whether an arrangement qualify as finance lease or operating lease.

During the preparation of our consolidated financial statements as of and for the year ended December 31, 2015, we reconsidered the applicable accounting treatment on our IPP Power Supply Contracts and we determined that our IPP Power Supply Contracts are not arrangements that are, or contain, leases based on ISFAS 8. Consequently, SFAS 30 was not applied to our IPP Power Supply Contracts for the year ended December 31, 2015. As a result, our IPP Power Supply Contracts were accounted for as a normal purchase of electricity for the year ended December 31, 2015. As a result, on June 28, 2016, our independent public accountants issued a qualified audit opinion on our consolidated financial statements as of and for the year ended December 31, 2015 stating that in their opinion, those consolidated financial statements presented fairly, in all material respects, the financial position of our Company and our subsidiaries as of December 31, 2015, and our financial performance and cash flows for the year then ended in accordance with IFAS, except for the effects of not applying SFAS 30 to our IPP Power Supply Contracts. On March 1, 2017, OJK issued Regulation No. 6. Based on this regulation, certain agreements entered into in relation to or in connection with the supply of electricity (such as IPP Power Supply Contracts) are accounted for as sale and purchase transactions even if they contain arrangements other than in connection with the sale and purchase of electricity. The regulation is mandatory for financial statements for periods beginning on or after January 1, 2017 and is applied prospectively. Early adoption is permitted for financial statements for the period beginning on or after January 1, 2016 and we elected for early adoption. As a result, we ceased to apply ISFAS 8 from January 1, 2016. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia has been completed or terminated. There can be no assurance, however, that the Government or the OJK will not issue different or new regulations or guidance in the future which leads our management to go back to treating IPP Power Supply Contracts as finance leases. “*See Risk Factors — We have implemented changes in how we account for our IPP Power Supply Contracts which make it difficult to compare our financial information from year to year*”.

In order to apply SFAS 30 and ISFAS 8 to our IPP Power Supply Contracts and fully conform with IFAS as of and for the year ended December 31, 2015, we restated our consolidated financial statements as of and for the year December 31, 2015. As a result of this restatement, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated March 14, 2017 (not included in this Offering Memorandum) that removed the qualification on the previously issued audit opinion dated June 28, 2016. Subsequently, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated April 26, 2017 on the restated consolidated financial statements prepared in accordance with IFAS as of and for the year ended December 31, 2015. Those consolidated financial statements and the related unqualified audit opinion dated April 26, 2017 are included elsewhere in this Offering Memorandum.

Comparability of Consolidated Financial Statements and Financial Information

As described above, following the issuance of Regulation No. 6, we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 applied ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the years ended

December 31, 2016 and 2017 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See also “*Presentation of Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Changes in Accounting Policies.*”

Solely for the convenience of the reader and to enhance the comparability of the financial information discussed in this Offering Memorandum, we also discuss certain financial information that excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts in 2015 in order to provide additional information, on an illustrative basis, when comparing to financial information for 2016, which under Regulation No. 6 also excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts. Such adjusted 2015 financial information is not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015 which were prepared in accordance with IFAS and applied the provisions of ISFAS 8. The 2015 financial information that excludes the effects of ISFAS 8 is neither audited nor reviewed and is not based on IFAS or any generally accepted accounting principles. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) were not engaged to audit, review or apply any procedures on this financial information. Accordingly, prospective investors should not rely on this 2015 financial information that excludes the effects of ISFAS 8 as if it had been audited or reviewed by our independent public accountants, or prepared in full compliance with IFAS.

Statements of Profit or Loss and Other Comprehensive Income Data

	Year ended December 31,						
	2015		2016		2017		U.S.\$ ⁽²⁾
	Rp.	% ⁽¹⁾	Rp.	% ⁽¹⁾	Rp.	% ⁽¹⁾	
	<i>(Rp. billions and U.S.\$ millions, except percentages)</i>						
Revenues							
Sale of electricity	209,845	76.6	214,140	76.2	246,587	81.9	18,201
Customer connection fees.....	6,141	2.2	7,052	2.5	7,113	2.4	525
Others.....	1,361	0.5	1,630	0.6	1,595	0.5	118
Total revenues	<u>217,347</u>	<u>79.4</u>	<u>222,822</u>	<u>78.7</u>	<u>255,295</u>	<u>84.8</u>	<u>18,844</u>
Operating expenses							
Fuel and lubricants	(138,408)	(50.5)	(109,492)	(39.0)	(116,948)	(38.8)	(8,632)
Purchased electricity	(4,421)	(1.6)	(59,729)	(21.3)	(72,427)	(24.1)	(5,346)
Lease	(8,066)	(2.9)	(6,545)	(2.3)	(6,592)	(2.2)	(487)
Maintenance.....	(21,861)	(8.0)	(21,227)	(7.6)	(19,516)	(6.5)	(1,441)
Personnel	(20,321)	(7.4)	(22,660)	(8.1)	(23,125)	(7.7)	(1,707)
Depreciation	(25,407)	(9.3)	(27,512)	(9.8)	(29,161)	(9.7)	(2,152)
Others.....	(7,090)	(2.6)	(7,284)	(2.6)	(7,707)	(2.6)	(569)
Total operating expenses	<u>(225,574)</u>	<u>(82.4)</u>	<u>(254,450)</u>	<u>(90.6)</u>	<u>(275,474)</u>	<u>(91.5)</u>	<u>(20,333)</u>
Operating loss before subsidy	<u>(8,227)</u>	<u>(3.0)</u>	<u>(31,628)</u>	<u>(11.3)</u>	<u>(20,179)</u>	<u>(6.7)</u>	<u>(1,490)</u>
Government's electricity subsidy.....	56,553	20.6	58,043	20.7	45,738	15.2	3,376
Operating income	<u>48,325</u>	<u>17.6</u>	<u>26,415</u>	<u>9.4</u>	<u>25,559</u>	<u>8.5</u>	<u>1,886</u>
Other income — net.....	2,437	0.9	1,092	0.4	3,410	1.1	252
Financial income.....	627	0.2	579	0.2	1,067	0.4	79
Financial cost	(39,977)	(14.6)	(18,703)	(6.7)	(18,557)	(6.2)	(1,370)
Gain (Loss) on foreign exchange — net	<u>(27,326)</u>	<u>(10.0)</u>	<u>4,195</u>	<u>1.5</u>	<u>(2,935)</u>	<u>(1.0)</u>	<u>(217)</u>
Income (Loss) before tax	<u>(15,913)</u>	<u>(5.8)</u>	<u>13,578</u>	<u>4.8</u>	<u>8,544</u>	<u>2.8</u>	<u>630</u>
Tax benefit (expenses)	21,940	8.0	(5,428)	(1.9)	(4,116)	1.4	(304)
Income for the year	<u>6,027</u>	<u>2.2</u>	<u>8,150</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Income for the year attributable to:							
Owners of the Company.....	6,011	2.2	8,113	2.9	4,410	1.5	326
Non-controlling interest	16	0.0	37	0.0	18	0	0
Total	<u>6,027</u>	<u>2.2</u>	<u>8,150</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Basic earnings per share (in full Rupiah amount)	<u>130,106</u>	<u>0.0</u>	<u>150,009</u>	<u>0.0</u>	<u>50,541</u>	<u>0.0</u>	<u>0</u>

Notes:

- (1) Expressed as a percentage of total revenues plus the Government's electricity subsidy.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Statements of Financial Position Data

	As of December 31,			
	2015	2016	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$
	<i>(Rp. billions and U.S.\$ millions)</i>			
Assets:				
Non-current Assets				
Property, plant and equipment.....	1,187,880	1,145,530	1,204,568	88,911
Investments in joint ventures	1,529	1,850	4,446	328
Investment properties	1,001	1,325	4,723	349
Investments in associates	1,645	1,980	2,433	180
Deferred tax assets.....	29,088	9,882	9,566	706
Receivables from related parties.....	269	263	237	17
Restricted cash in banks and time deposits.....	8,797	7,464	7,488	553
Other receivables	312	350	635	47
Other non-current assets.....	4,505	4,964	7,064	521
Total Non-current Assets	<u>1,235,026</u>	<u>1,173,608</u>	<u>1,241,160</u>	<u>91,612</u>
Current Assets				
Cash and cash equivalents.....	23,596	41,909	42,292	3,122
Short-term investments.....	120	375	287	21
Trade receivables	19,834	21,711	22,467	1,658
Receivables on electricity subsidy.....	17,501	12,446	7,589	560
Other receivables	482	2,411	1,672	123
Inventories.....	11,416	11,570	12,828	947
Prepaid taxes	5,265	7,207	4,997	369
Prepaid expenses and advances	1,059	898	1,630	120
Receivables from related parties.....	72	37	5	0
Other current assets	—	6	30	2
Total Current Assets	<u>79,345</u>	<u>98,569</u>	<u>93,797</u>	<u>6,923</u>
Total Assets	<u>1,314,371</u>	<u>1,272,178</u>	<u>1,334,958</u>	<u>98,535</u>
Equity:				
Equity attributable to owners of the Company				
Capital stock — par value of Rp.1,000,000 per share				
Authorized — 439,000,000 shares, 204,000,000 shares and 63,000,000 shares in 2017, 2016 and 2015, respectively. Subscribed and paid up — 109,826,526 shares, 56,666,007 shares and 46,197,380 shares in 2017, 2016 and 2015, respectively.	46,197	55,666	109,827	8,107
Additional paid-in capital.....	49,707	21,797	20,871	1,541
Stock subscription from Government in issuance process.....	9,469	54,160	—	—
Retained earnings				
Appropriated	26,872	40,304	48,665	3,592
Unappropriated	41,222	77,195	71,093	5,247
Other Comprehensive Income.....	631,242	629,160	618,462	45,650
Non-controlling interests.....	81	117	498	37
Total Equity	<u>804,791</u>	<u>878,399</u>	<u>869,416</u>	<u>64,173</u>

	As of December 31,			
	2015	2016	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$
	<i>(Rp. billions and U.S.\$ millions)</i>			
Liabilities:				
Non-current Liabilities				
Deferred tax liabilities	5	60	2,066	152
Long-term liabilities — net of current portion				
Two-step loans	29,205	29,134	31,485	2,324
Government loans and non-bank Government financial institution loans	8,195	7,258	6,309	466
Lease liabilities.....	149,622	17,933	15,713	1,160
Bank loans	77,829	100,362	116,017	8,563
Bonds payable and sukuk ijara.....	80,043	68,825	100,440	7,414
Electricity purchase payable.....	7,093	7,315	7,026	519
KIK — EBA Loans	—	—	2,908	215
Payable to related parties	3	2	—	—
Employee benefits liabilities	37,378	41,110	43,559	3,215
Other payables	68	156	940	69
Total Non-current Liabilities	389,441	272,155	326,466	24,097
Current Liabilities				
Trade payables				
Related parties	8,910	7,773	11,215	828
Third parties	17,716	22,419	32,496	2,399
Taxes payable	15,132	1,951	2,388	176
Accrued expenses.....	10,627	10,645	11,477	847
Customers' security deposits	11,325	12,050	12,642	933
Project cost payable	1,114	385	724	53
Deferred revenue.....	1,534	1,147	1,218	90
Current maturities of long-term liabilities				
Two-step loans	2,505	2,562	2,736	202
Government loans and non-bank Government financial institution loans	294	1,044	1,044	77
Lease liabilities.....	6,759	3,789	4,872	360
Bank loans	11,752	26,395	26,549	1,960
Bonds payable and sukuk ijara.....	9,122	9,568	914	67
Electricity purchase payable.....	311	329	350	26
KIK — EBA loans	—	—	631	47
Employee benefits liabilities	2,849	3,494	8,563	632
Other payables	20,189	18,073	21,255	1,569
Total Current Liabilities	120,139	121,623	139,075	10,265
Total Liabilities	509,580	393,779	465,541	34,362
Total Equity and Liabilities	1,314,371	1,272,178	1,334,958	98,535

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Statements of Cash Flows Data

	As of December 31,			
	2015	2016	2017	
	Rp.	Rp.	Rp.	U.S.\$ ⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Net cash provided by operating activities.....	37,289	29,588	56,844	4,196
Net cash used in investing activities	(38,297)	(54,800)	(87,108)	(6,430)
Net cash (used in)/provided from financing activities	(2,870)	43,595	30,610	2,259

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Selected Financial Data

A reconciliation from operating income (after Government electricity subsidy) to Adjusted EBITDA and other financial data for the years indicated therein are set out below:

	As of December 31,			
	2015	2016	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$ ⁽⁷⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Operating income.....	48,325	26,415	25,559	1,886
Depreciation	25,407	27,512	29,161	2,152
Amortization.....	213	276	286	21
Actuarial employee benefit expense-net of payments.....	2,220	1,391	1,586	117
Adjusted EBITDA⁽²⁾.....	76,165	55,595	56,590	4,177
Operating Income/Adjusted Revenue (%) ⁽³⁾	17.64	9.41	8.5	—
Adjusted EBITDA margin ⁽⁴⁾ (%).....	27.81	19.79	18.80	—
Total Borrowings to (Total Borrowings plus Total Equity) ⁽⁵⁾ (%).....	32.23	23.81	26.7	—
Total Borrowings to Total Equity (%).....	47.56	31.25	36.5	—
Total Borrowings to Adjusted EBITDA (times).....	5.03	4.94	5.6	—
Total Net Borrowings ⁽⁶⁾ to Adjusted EBITDA (times).....	4.72	4.18	4.9	—

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income and our consolidated statements of financial position for 2016 and 2017, respectively, are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income and our consolidated statements of financial position for 2015, as explained above. As a result, the line-items and selected ratios presented in the above table are not directly comparable. If we excluded the effect of ISFAS 8 on our “operating income after subsidy” and “depreciation” accounts for 2015, they would have been Rp.27,637 billion (non-GAAP) and Rp.21,419 billion (non-GAAP), respectively, and consequently our Adjusted EBITDA would have been Rp.51,489 billion (non-GAAP) in 2015. Following the same approach, our Adjusted EBITDA Margin would have been 18.8% (non-GAAP), Total Borrowings to (Total Borrowings plus total equity) 22.9% (non-GAAP), Total Borrowings to Total Equity 29.7% (non-GAAP), Total Borrowings to Adjusted EBITDA 4.9 times and Total Net Borrowings to Adjusted EBITDA 4.4 times.

- (2) We define Adjusted EBITDA as operating income plus depreciation expense, amortization expense and actuarial employee benefit expense — net of payments. We believe that the presentation of our Adjusted EBITDA facilitates comparisons of operating performance from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets and deferred charges (affecting relative depreciation and amortization expense). In particular, presentation of our Adjusted EBITDA eliminates non-cash items such as amortization of deferred charges, actuarial employee benefit expense — net of payments made during the period that arise from actuarial assumptions and depreciation expense that arises from the capital intensive nature of the utilities industry. We also believe that the presentation of our Adjusted EBITDA is a useful supplemental measure of our ability to service debt. Finally, we present our Adjusted EBITDA because we believe it is frequently used by securities analysts and investors in evaluating similar companies. See “*non-GAAP Financial Measures*”.
- (3) “Adjusted Revenue” as used for computing this ratio is the sum of total revenue and the Government electricity subsidy.
- (4) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA over Adjusted Revenue.
- (5) Total Borrowings include two-step loans, Government loans, bonds payable, bank loans and medium term notes, certain lease liabilities and electricity purchase payable.
- (6) Total Net Borrowings refers to Total Borrowings minus cash and cash equivalents.
- (7) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Selected Operating Data

	Year ended December 31,		
	2015	2016	2017
	Rp.	Rp.	Rp.
	<i>(MW except percentages, GWh and average selling price)</i>		
Installed Capacity⁽¹⁾			
PLN	41,895	43,294	42,656
IPPs ⁽²⁾	8,965	11,371 ⁽³⁾	13,270
Total system installed capacity ⁽⁴⁾	50,859	54,665	55,926
Peak demand ⁽⁵⁾	33,381	36,882	37,044
Net dependable capacity ⁽⁶⁾	42,759	48,309	49,049
Reserve capacity	17,478	17,783	18,882
Reserve margin ⁽⁷⁾	52.4%	48.2%	51.0%
Operating reserve margin ⁽⁸⁾	28.1%	31.0%	32.4%
Average demand ⁽⁹⁾	25,964	28,687	29,070
Units of electricity sold (GWh)	202,846	216,004	223,134
Average selling price (Rp./kWh)	1,035	994	1,105

Notes:

- (1) Installed capacity represents the combined level of output that may be sustained continuously without significant risk of damage to plant and equipment.
- (2) Represents the contractual capacity as specified in the relevant IPP contracts.
- (3) Excluding IPPs treated as operating leases and captive power plants.
- (4) Total system installed capacity represents our capacity and those of IPPs.
- (5) Peak demand represents the aggregate actual maximum peak demand on every system at any single time during the period.
- (6) Net dependable capacity represents the rated capacity and the contractual capacity of the IPPs as specified in the relevant IPP contracts.
- (7) Reserve margin is equal to the difference between total system installed capacity and peak demand as a percentage of peak demand.
- (8) Operating reserve margin is equal to the difference between net dependable capacity and peak demand as a percentage of a peak demand.
- (9) Average demand is equal to the average demand on our system during the period.

Selected Operating Performance Data

	Year ended December 31,		
	2015	2016	2017
Equivalent forced outage rate (%) ⁽¹⁾	8.56	7.73	4.95
Capacity factor (%).....	50.53	53.57	49.42
Transmission and distribution losses (%).....	9.8	9.5	8.8
Distribution losses (%).....	7.6	7.2	6.5
Transmission losses (%).....	2.3	2.3	2.4
SAIFI (frequency/customer).....	6.0	15.1	12.7
SAIDI (hour/customer).....	5.3	25.5	19.3
Number of customers per employee.....	1,285	1,245	1,492

Note:

- (1) Java-Bali only. As of December 31, 2017, the integrated interconnection system which provides this data has been completed only in Java-Bali.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the sections "Presentation of Financial Information," "Summary Financial Information" and "Selected Financial Information" and our Consolidated Financial Statements and related notes included elsewhere in this Offering Memorandum. Our consolidated financial statements as of and for the year ended December 31, 2015 were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) and our restated consolidated financial statements as of and for the year ended December 31, 2016 and our consolidated financial statements as of and for the year ended December 31, 2017 were audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network), in each case in accordance with the Standards on Auditing established by the Indonesian Institute of Certified Public Accountants as stated in their reports included elsewhere in this Offering Memorandum. This discussion contains forward-looking statements which are subject to numerous risks and uncertainties, including, but not limited to, those described under the caption "Risk Factors" in this Offering Memorandum. Actual results may differ materially from those included in any forward-looking statements.

Our consolidated financial statements as of and for the year ended December 31, 2015 have been prepared in accordance with IFAS, and our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 have been prepared in accordance with Indonesian GAAP included elsewhere in this Offering Memorandum and are presented in Rupiah, our reporting currency. Indonesian GAAP/IFAS differs in certain respects from accounting principles generally accepted in countries and jurisdictions other than Indonesia, including U.S. GAAP. In making an investment decision, you should rely upon your own examination of the terms of the Offering and the financial information included in this Offering Memorandum. You should consult your own financial advisors for an understanding of the differences between Indonesian GAAP/IFAS and other GAAP you may be more familiar with, including U.S. GAAP, and how these differences may affect the financial information included in this Offering Memorandum. For a discussion of certain differences between Indonesian GAAP/IFAS and U.S. GAAP, see "Summary of Certain Differences Between Indonesian GAAP/IFAS and U.S. GAAP."

Except as otherwise indicated, references to "2015," "2016," and "2017" are references to each of the financial years ended December 31, 2015, 2016 and 2017, respectively.

Solely for convenience, in this section certain amounts in Rupiah have been translated into U.S. dollar amounts. See "Exchange Rates" and "Presentation of Financial Information" for further detail.

Overview

We are Indonesia's state-owned electric utility company and are wholly-owned by the Government, which is represented by the Ministry of State-Owned Enterprises. We provide most of the public electricity and electricity infrastructure in Indonesia, including construction of power plants, power generation, transmission, distribution and retail sales of electricity. We are the largest electricity producer in Indonesia, and as of December 31, 2017, had a power generation capacity of approximately 42,656 MW (excluding power generation capacities of IPPs with which we have entered into IPP Power Supply Contracts) that accounted for over 76% of the total installed generation capacity in Indonesia of 55,926 MW and served approximately 68.1 million customers. As of December 31, 2017, we owned and operated 1,656 electricity generating plants comprising 6,221 electricity generating units in Indonesia, including fuel oil-fired, natural gas-fired, coal-fired, geothermal and hydroelectric plants. We also purchase almost all of the electricity produced in Indonesia by IPPs.

The following table sets forth our production for 2015, 2016 and 2017 in GWh:

	Year ended December 31,		
	2015	2016	2017
	(GWh)		
PLN facilities			
Fuel oil	5,783	4,673	3,612
Coal	90,275	91,701	101,244
Natural gas.....	46,039	51,890	46,356
Geothermal.....	4,392	3,958	4,341
Hydroelectric	<u>10,005</u>	<u>14,235</u>	<u>12,425</u>
Total PLN production⁽¹⁾	<u>156,493</u>	<u>166,457</u>	<u>167,978</u>
Purchased from others ⁽²⁾	<u>77,351</u>	<u>82,153</u>	<u>86,682</u>
Gross generation	<u>233,844</u>	<u>248,611</u>	<u>254,660</u>
Auxiliary use ⁽³⁾	<u>(8,940)</u>	<u>(9,900)</u>	<u>(10,041)</u>
Transmission and distribution losses.....	<u>(22,058)</u>	<u>(22,706)</u>	<u>(21,485)</u>
Electricity sold.....	202,846	216,004	223,134

Notes:

- (1) Includes diesel rent.
- (2) Net purchased from others.
- (3) Includes station, transmission and distribution substation use.

The following tables sets forth our installed capacity (including rented generator sets and excluding contractual capacity from IPPs) for our electricity generating plants as of December 31, 2017:

Type of plant	As of December 31, 2017						
	Fuel type						
	Oil	Coal	Gas	Geo	Hydroelectric	Others	Total
	(MW)						
Combined-Cycle.....	60	—	8,934	—	—	—	8,994
Diesel	4,942	—	1,253	—	—	—	6,195
Geothermal	—	—	—	551	—	—	551
Gas-turbine	1,397	—	2,340	—	—	—	3,737
Hydroelectric-turbine	—	—	—	—	3,583	—	3,583
Steam-turbine.....	569	18,016	1,000	—	—	—	19,585
Others	—	—	—	—	—	11	11
Total	<u>6,968</u>	<u>18,016</u>	<u>13,527</u>	<u>551</u>	<u>3,583</u>	<u>11</u>	<u>42,656</u>

We operate eight main grids in Java-Bali, North Sumatra, South Sumatra, West Kalimantan, Central Kalimantan, East Kalimantan, North Sulawesi and South Sulawesi, which are the most populated regions in Indonesia. Approximately 58.2% of the total population of Indonesia (approximately 152.4 million people) live on Java and Bali, and the region accounted for approximately 64% of our total customers' power consumption in 2017. As of December 31, 2017, we controlled approximately 48,901 kilometers-circuits of transmission lines and approximately 1,028,679 kilometers-circuits of distribution lines.

Our charges for electricity are based on electricity tariff rates which are set by the Government. See “*Regulation of the Indonesian Electricity Sector*.” The electricity tariff is regulated by the MEMR Regulation No. 28/2016. However, the tariff rates set by the Government have, for some time, been inadequate to cover the cost of producing the energy we sell for certain residential customers whose tariff rates are set at levels below our cost of producing the electricity. However, because we perform a PSO within the meaning of Law No. 19/2003, the Government is obligated to subsidize us for the difference between our cost to produce the electricity we sell and the price we are permitted to charge for that electricity under the tariff rates set by the Government. This subsidy includes a PSO margin set at 7.0% above the cost of electricity to meet our finance costs for borrowings related to capital expenditures. The subsidy mechanism is defined in the Minister of Finance Regulation No. 44/PMK.02/2017, as amended by the Minister of Finance Regulation No. 162/PMK.02/2017. See “*Relationship with the Government*” and “*Regulation of the Indonesian Electricity Sector*.”

We have four categories of electricity tariffs based on the type of customers: residential, industrial, business and public (such as government agencies and hospitals). For each category of customers, we have either a monthly minimum payment or demand charges and variable energy charges. We also have a special services tariff as described below.

- **Demand Charges:** For the fixed demand charges (Rupiah per kilovolt ampere (“kVA”)/month), the rates vary depending on the capacity of the electricity connection and this charge is only applicable to small residential customers such as those with a capacity of 450 VA or 900 VA for whom we receive subsidy.
- **Variable Energy Charges:** For variable energy charges (Rupiah per kWh), we charge fixed rates according to the customer categories. We increase our charges for peak usage between 6:00 pm to 10:00 pm for big scale industrial, business and public customers, but not for residential customers.
- **Minimum Payment:** We charge a monthly minimum payment for each customer apart from customers with a capacity of 450 VA or 900 VA. The minimum payment is a product of a fixed period of 40 hours and connected VA divided by 1,000 and subsequently multiplied by the applicable energy charge.
- **Special Service Tariff:** We have a special service tariff we charge (Rupiah per kWh) for special circumstances and, in particular, for our business and industrial customers who require special services. This tariff is based on business-to-business approach.

Restatement of Prior Years’ Consolidated Financial Statements

Restatement of the consolidated financial statements as of and for the year ended December 31, 2016

On May 8, 2017, MEMR issued a letter relating to the realization of our electricity transmission losses, and on August 31, 2017, the Audit Board issued the August 2017 Audit Report. As a result of a change in the assumptions used for the calculation of losses as agreed between MEMR and the Audit Board, the August 2017 Audit Report determined that the correct amount of the electricity subsidy that we receive from the Government that we should recognize in our consolidated statement of profit and loss for 2016 was Rp.58,043 billion, and not Rp.60,442 billion as reported in our previously issued financial statements for 2016. As a result, we restated the line item “Government’s electricity subsidy” in the profit and loss statement in our consolidated financial statements for 2016 to Rp.58,043 billion, and made related adjustments to other items such as “Operating Income After Subsidy” and “Income for the Year”. As a result of this restatement, KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network) reissued an unmodified audit opinion dated January 8, 2018 on our restated consolidated financial statements for 2016. See Note 58 to our consolidated financial statements as of and for the year ended December 31, 2016. This change does not have any impact to our consolidated financial statements as of and for the year ended December 31, 2015.

Restatement of the consolidated financial statements as of and for the year ended December 31, 2015

Since January 1, 2012, we have applied the provisions of ISFAS 8. ISFAS 8 provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30. SFAS 30 provides guidance in determining whether an arrangement qualifies as finance lease or operating lease.

During the preparation of our consolidated financial statements as of and for the year ended December 31, 2015, we reconsidered the applicable accounting treatment on our IPP Power Supply Contracts and we determined that our IPP Power Supply Contracts are not arrangements that are, or contain, leases based on ISFAS 8. Consequently, SFAS 30 was not applied to our IPP Power Supply Contracts for the year ended December 31, 2015. As a result, our IPP Power Supply Contracts were accounted for as a normal purchase of electricity for the years ended December 31, 2015. As a result, on June 28, 2016, our independent public accountants issued a qualified audit opinion on our consolidated financial statements as of and for the year ended December 31, 2015 stating that in their opinion, those consolidated financial statements presented fairly, in all material respects, the financial position of our Company and our subsidiaries as of December 31, 2015, and our financial performance and cash flows for the year then ended in accordance with IFAS, except for the effects of not applying SFAS 30 to our IPP Power Supply Contracts. On March 1, 2017, OJK issued Regulation No. 6. Based on this regulation, certain agreements entered into in relation to or in connection with the supply of electricity (such as IPP Power Supply Contracts) are accounted for as sale and purchase transactions even if they contain arrangements other than in connection with the sale and purchase of electricity. The regulation is mandatory for financial statements for periods beginning on or after January 1, 2017 and is applied prospectively. Early adoption is permitted for financial statements for the period beginning on or after January 1, 2016 and we elected for early adoption. As a result, we ceased to apply ISFAS 8 from January 1, 2016. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia has been completed or terminated. There can be no assurance, however, that the Government or the OJK will not issue different or new regulations or guidance in the future which leads our management to go back to treating IPP Power Supply Contracts as finance leases. *“See Risk Factors — We have implemented changes in how we account for our IPP Power Supply contracts which make it difficult to compare our financial information from year to year”*.

In order to apply SFAS 30 and ISFAS 8 to our IPP Power Supply Contracts and fully conform with IFAS as of and for the year ended December 31, 2015, we restated our consolidated financial statements as of and for the year December 31, 2015. As a result of this restatement, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated March 14, 2017 (not included in this Offering Memorandum) that removed the qualification on their previously issued opinion dated June 28, 2016. Subsequently, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) reissued an audit opinion dated April 26, 2017 on the restated consolidated financial statements prepared in accordance with IFAS as of and for the year ended December 31, 2015. Those consolidated financial statements and the related unqualified audit opinion dated April 26, 2017 are included elsewhere in this Offering Memorandum.

Comparability of Consolidated Financial Statements and Financial Information

As described above, following the issuance of Regulation No. 6, we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 applied ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the years ended

December 31, 2016 and 2017 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See also “*Presentation of Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Changes in Accounting Policies.*”

Solely for the convenience of the reader and to enhance the comparability of the financial information discussed in this Offering Memorandum, we also discuss certain financial information that excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts in 2015 in order to provide additional information, on an illustrative basis, when comparing it to financial information for 2016 and 2017, which under Regulation No. 6 also excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts. Such adjusted 2015 financial information is not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015 which were prepared in accordance with IFAS and applied the provisions of ISFAS 8. The 2015 financial information that excludes the effects of ISFAS 8 is neither audited nor reviewed and is not based on IFAS or any generally accepted accounting principles. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) were not engaged to audit, review or apply any procedures on this financial information. Accordingly, prospective investors should not rely on this 2015 financial information that excludes the effects of ISFAS 8 as if it had been audited or reviewed by our independent public accountants, or prepared in full compliance with IFAS. We have prepared the following table solely for convenience purposes to illustrate the quantitative impact of excluding the effects of applying ISFAS 8 to our IPP Power Supply Contracts on certain line items in our restated audited consolidated financial statements as of and for the year ended December 31, 2015:

	As of and for the year ended December 31, 2015			
	Applying ISFAS 8	Variation	Variation (%)	Without applying ISFAS 8 (unaudited)
	<i>(Rp. billions, except percentages)</i>			
Consolidated statements of profit or loss and other comprehensive income				
Fuel and lubricants	(138,408)	17,821	14.8	(120,587)
Purchased electricity	(4,421)	(47,270)	(91.4)	(51,691)
Lease	(8,066)	505	6.7	(7,561)
Maintenance	(21,861)	4,268	24.3	(17,593)
Depreciation	(25,407)	3,988	18.6	(21,419)
Operating expenses	(225,574)	(20,688)	(8.4)	(246,262)
Financial cost	(39,977)	22,441	128.0	(17,536)
(Loss)/gain of foreign exchange — net	(27,326)	11,096	68.4	(16,230)
Total other expenses	(64,239)	33,537	(109.2)	(30,702)
Income/(loss) before tax	(15,913)	12,849	419.4	(3,064)
Tax benefit	21,940	(3,290)	(17.6)	18,649
Income for the year	6,027	9,559	61.3	15,585
Consolidated statements of financial position				
Property, plant and equipment	1,187,880	(72,228)	(6.5)	1,115,652
Deferred tax assets	29,088	(14,787)	(103.4)	14,301
Non-current assets	1,235,026	(87,015)	(7.6)	1,148,011
Lease liabilities	149,622	(128,065)	(594.1)	21,557
Electricity purchase payable	7,093	756	9.6	7,849
Non-current liabilities	389,441	(127,309)	(48.6)	262,132
Trade accounts payables to related parties	8,910	381	4.1	9,291

As of and for the year ended December 31, 2015

	Applying ISFAS 8	Variation	Variation (%)	Without applying ISFAS 8 (unaudited)
<i>(Rp. billions, except percentages)</i>				
Trade accounts payables to third parties	17,716	1,998	10.1	19,714
Accrued expenses	10,627	(2,216)	(26.3)	8,411
Electricity purchase payable	311	10	3.1	321
Lease liabilities	6,759	(3,313)	(96.1)	3,446
Other payables	20,189	6	0.0	20,195
Current liabilities	<u>120,139</u>	<u>(3,135)</u>	<u>(2.7)</u>	<u>117,004</u>
Total liabilities	<u>509,580</u>	<u>(130,444)</u>	<u>(34.4)</u>	<u>379,136</u>
Retained earnings — unappropriated	41,222	43,429	51.3	84,651
Total equity	<u>804,791</u>	<u>43,429</u>	<u>5.1</u>	<u>848,219</u>
Consolidated statements of cash flows				
Cash paid to suppliers	(178,050)	(22,928)	(11.4)	(200,978)
Interest expense paid	(37,709)	20,813	123.2	(16,896)
Net cash provided by operating activities	<u>37,289</u>	<u>(2,116)</u>	<u>(6.0)</u>	<u>35,173</u>
Payments of electricity purchase payable	(291)	(7)	(2.3)	(298)
Payment of lease liabilities	(5,190)	2,122	69.2	(3,068)
Net cash used in financing activities	<u>(2,870)</u>	<u>2,116</u>	<u>280.6</u>	<u>(754)</u>
Cash and cash equivalents at the end of the year.	<u>23,596</u>	<u>—</u>	<u>—</u>	<u>23,596</u>

Unless otherwise noted, notwithstanding the limited discussion for illustrative purposes of our unaudited financial information for 2015 prepared without applying ISFAS 8, our financial and accounting data for 2015 included elsewhere in this Offering Memorandum is derived or extracted from our restated audited consolidated financial statements for 2015 which apply the provisions of ISFAS 8.

Adjustment of Certain Assets and Liabilities as of January 1, 2016

As described above, following the issuance of Regulation No. 6, we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 apply the provisions of ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See also “*Presentation of Financial Information*” and “— *Changes in Accounting Policies.*”

In order to implement the provisions of Regulation No. 6, certain assets and liabilities as of January 1, 2016 have also been adjusted on January 1, 2016.

The net adjustment to certain assets and liabilities amounted to Rp.43,428 billion and was recorded as adjustment to retained earnings on January 1, 2016. The following table sets forth the details of the net adjustment to certain assets and liabilities:

	As of January 1, 2016 before adjustments	Opening balance adjustments	As of January 1, 2016 after adjustments
	<i>(Rp. billions)</i>		
Property, plant and equipment	1,187,880	(72,228)	1,115,652
Deferred tax assets	29,088	(14,788)	14,300
	1,216,968	(87,016)	1,129,952
Non-current liabilities			
Electricity purchase payable	7,093	756	7,849
Lease Liabilities	149,622	(128,065)	21,557
Current liabilities			
Lease liabilities	6,759	(3,314)	3,446
Accrued expenses	10,627	(2,216)	8,411
Electricity purchase payable	311	10	321
Trade payables			
Related parties	8,910	380	9,291
Third parties	17,716	1,998	19,714
Other payables	20,189	7	20,195
	221,227	(130,444)	90,783
The effect of Regulation No.6 application to retained earnings as of January 1, 2016		43,428	

Factors Affecting our Results of Operations and Financial Condition

A number of factors affect our results of operations and financial performance, including:

Electricity Tariffs

Our revenues are significantly impacted by the electricity tariff rates we are allowed to charge. In Indonesia, electricity tariff rates are proposed by the MEMR and set by the President of Indonesia. In accordance with the regulations of MEMR, electricity tariffs are adjusted periodically and/or annually with a view to adjust selling prices to be at least equal to the corresponding cost of production. MEMR Regulation No. 28/2016 sets the electricity tariff for the period as of 2017.

With respect to customers other than small residential customers with electricity connection capacities ranging from 450 VA to 900 VA (who are subject to a separate tariff regime of fixed demand charges and permit us to receive the government subsidy), the Government raised the applicable electricity tariffs by an annual average of:

- 10.0% with effect from July 1, 2010 pursuant to Presidential Regulation No. 8/2011;
- 15.0% with effect from January 1, 2013 pursuant to MEMR Regulation No. 30/2012; and
- 22.0% with effect from May 1, 2014 pursuant to MEMR Regulation No. 09/2014.

Furthermore, MEMR Regulation No. 31/2014 with effect from January 1, 2015 and MEMR Regulation No. 09/2015 with effect from May 1, 2015 increased the electricity tariff by an annual average of 0.63% for eight customer categories, including:

- residential customers with electricity connection capacities ranging from 3,500 VA to 5,500 VA;
- residential customers with electricity connection capacities above 6,600 VA;
- business customers with electricity connection capacities ranging from 6,600 VA to 200 kVA;
- business customers with electricity connection capacities above 200 kVA;
- industrial customers with electricity connection capacities above 200 kVA;
- industrial customers with electricity connection capacities above 30,000 kVA;
- public customers with electricity connection capacities ranging from 6,600 VA to 200 kVA; and
- public customers with electricity connection capacities above 200 kVA.

The following table sets forth our average selling price for each category of customers for the years ended December 31, 2015, 2016 and 2017:

	Year ended December 31,		
	2015	2016	2017
	<i>(Rp. per kWh)</i>		
Residential	835	845	1,056
Industrial	1,146	1,056	1,089
Business	1,283	1,203	1,246
Public	1,136	1,085	1,102
Total average selling price	<u>1,035</u>	<u>994</u>	<u>1,105</u>

The trends in electricity tariffs applicable to any customer category may differ from the overall trend in average selling prices, which reflects the fact that, within each customer category, there are differences in the electricity tariffs we can charge depending on the level of electricity consumption. We can typically charge higher tariffs to customers within the same category if they consume more electricity.

Subsidies

The subsidies we receive from the Government cover the following costs: electric power purchases, fuel and lubricants expenses (such as for fuel oil, natural gas, geothermal, coal and lubricating oil), maintenance expenses (such as for materials), personnel expenses, administrative expenses, depreciation of fixed operational assets and financing costs. We do not receive Government subsidies for costs that are not related to the generation of electricity, such as the operating costs of our telecommunications subsidiary or of our engineering services subsidiary. See “*Relationship with the Government — Government as Lender and Provider of Subsidies*” and “*Regulation of the Indonesian Electricity Sector — Subsidies.*”

The typical process for obtaining a subsidy each year is set forth below:

- **Proposal**

We typically begin preparing in July of each year a proposal for subsidies based on our costs and expected revenue and present our subsidy proposal to DGEEU, which is part of the MEMR. This proposal also includes a network transmission and distribution loss that we believe we can achieve in the coming year, which is based, *inter alia*, on our estimations of customer usage and demand, fuel prices for the year and our expansion plans for the year to achieve better efficiency levels. There is no assurance that we will be able to meet these targets or our expansion plans in any given year.

- **Parliamentary Approval**

A revised proposal, following the review by DGEEU, is submitted by the MEMR to the Ministry of Finance for inclusion in the proposed Government budget for Parliament's approval.

- **Government Budget**

Our approved subsidy (which may be increased or decreased in certain cases depending on changes in the assumptions used to prepare the proposal) is contained in the Government budget adopted by Parliament. The final amount of electricity subsidy we receive from the Government in a budget year is based on the result of a compliance audit of our usage of the electricity subsidy performed by the Audit Board, the auditor assigned by the Directorate General of Budget under the Ministry of Finance. The final amount of electricity subsidy that we receive from the Government in a budget year could be different from the amount of electricity subsidy that we recognize as revenue for that year, depending on our actual costs incurred during that year. The Government's electricity subsidy was Rp.56,553 billion in 2015, Rp.58,043 billion in 2016, Rp.45,738 billion in 2017. We expect the amount of the Government's electricity subsidy to further decrease in the near future due to an expected decrease in the number of residential customers with electricity connection capacities of 450 VA and 900 VA who are subject to fixed demand charges and are thus making us eligible to receive a government subsidy payable to us.

- **Monthly Payments**

Each month, we submit supporting documents such as actual sales and budgeted costs and file a request for payment of subsidy to the Director General of Budgets in the Ministry of Finance. The Ministry of Finance typically pays a subsidy to us on a monthly basis, commencing in March of each year, in an amount equivalent to 95.0% of the difference between budgeted costs and actual revenues. For example, in March, we typically receive payment for 95.0% of the difference between budgeted costs and actual revenues for January. The subsidy for the month of December is put into an escrow account, which we receive in January of the following year.

- **Quarterly Balance of Payments**

We receive the remaining amount of the subsidy, which is based on our actual costs, for each quarter after we submit the unaudited report of our actual costs to the Director General of Budgets in the Ministry of Finance. For example, in June we will receive the balance of the subsidy payment relating to the first quarter and in September we will receive the balance of the subsidy payment relating to the second quarter.

- **Parliamentary Review**

Upon review by Parliament, the subsidy budget for the year is revised after the middle of each year if the subsidy budget set at the beginning of the year is inadequate.

- **Year End Balance of Payments**

Any difference between the aggregate amount of subsidy we receive from the Government on a monthly basis during a year and our actual costs incurred during that year are expected to be paid following an audit by the Audit Board, as undisbursed subsidy. This payment is typically made in or after September of the following year.

- **Request for Payments**

From the time we submit our request for a subsidy payment, it typically takes two weeks to one month for the subsidy to be disbursed. Depending on the circumstances, our subsidy payment may be offset by accounts payable from us to Pertamina.

The following table sets forth certain information regarding the subsidies we received from the Government for the years indicated therein:

	Government- approved budgeted subsidy	Government's electricity subsidy as a result of compliance audit by Audit Board
	<i>(Rp. billions)</i>	
Year ended December 31, 2015	66,149	56,553
Year ended December 31, 2016	63,098	58,043
Year ended December 31, 2017	50,595	45,738

The total amount of the subsidy received from the Government is subject to adjustments and based on a pre-established formula as set out below:

- the total amount of subsidy we ultimately receive for a given year can be adjusted upward based on our actual cost following the Government audit by the Audit Board;
- our costs of supply are calculated based on a formula determined by DGEEU;
- calculation of our network transmission and distribution losses, which are factored into the determination of cost of supply, is adjusted by DGEEU on quarterly basis, based on actual losses;
- DGEEU determines the quarterly and annual realization of network transmission and distribution losses not later than 15 days after receiving the complete data from us regarding the realization of network transmission and distribution losses;
- we submit a request for payment of electricity subsidy, which is conveyed in writing to the Director of Non-Tax State Revenue with a copy made available to the Director General of Treasury Affairs on a monthly basis. The request for payment of electricity subsidy is accompanied by supporting data, including, among others, interim cost of supply. The interim cost of supply (Rp./kWh) data is:
 - used in the determination of the amount of electricity subsidy in the annual state budget or revised annual state budget; or
 - based on the result of the audit by the institution authorized to audit our working plan company budget;

- we receive 95.0% of the difference between budgeted costs of production (including the PSO Margin) and actual revenues as our subsidy for each month in the subsequent month, with the remainder paid quarterly, based on an unaudited report of our actual costs; and
- the subsidy for the month of November is paid in December and the subsidy for December is put in an escrow account for our benefit and paid in January, in each case based on actual sales and budgeted costs of electricity, resulting in a subsidy that is more reflective of our actual costs and sales in the last two months of the year.

The specific formula for calculating the subsidy of electricity is:

S	=	-(HJTL - BPP (1 + m)) x V, where
S	=	electricity subsidy
HJTL	=	average selling price of electricity (Rp./kWh) of the respective tariff categories
BPP	=	cost of electricity supply (Rp./kWh) at various voltages in the respective tariff categories
m	=	PSO Margin (%)
V	=	selling volume of electricity (kWh) for every tariff category.

In calculating the amount of electricity subsidy for a fiscal year, DGEEU may consider the PSO Margin recommended by the State Minister for State-owned Enterprises where the PSO Margin is to be added to create a positive value (gross profit) in calculating the total subsidy of electricity and to produce the amount of electricity subsidy stipulated in the annual state budget or the revised annual state budget.

The final amount of electricity subsidy in any fiscal year is stipulated based on the Audit Board's audit report, which is submitted to the Minister of Finance.

There is no cap for electricity subsidy. If there is a negative discrepancy of payments of electricity subsidy between what has already been paid to us and the audit results, the amount of the negative discrepancy can be proposed to be allocated in the Anggaran Pendapatan dan Belanja Negara for the next budget year (with the approval of the Minister of Finance). However, if the result is a positive discrepancy, we are required to promptly remit the overpayment to the State General Cash Account as non-tax state revenue in accordance with the prevailing law. See also "*Relationship with the Government.*"

Cost of Fuel and Non-fuel Supplies

A portion of our fuel and non-fuel expenses are denominated in, or linked to, the U.S. dollar. For 2017, 36.0% of our fuel and non-fuel expenses were denominated in, or linked to, the U.S. dollar, and 64.0% of our fuel and non-fuel expenses were denominated in Rupiah, respectively. Accordingly, changes in the foreign exchange rates of the Rupiah against the U.S. dollar impacts our operating expenses in Rupiah terms (our presentation currency). For example, a depreciation of the Rupiah against the U.S. dollar generally results in higher operating expenses in Rupiah terms.

The following table sets forth our fuel and non-fuel expenses in U.S. dollars versus Rupiah for the years indicated therein as a percentage of our operating expenses:

	Year ended December 31,		
	2015	2016 ⁽¹⁾	2017
		(%)	
Fuel and non-fuel expenses (U.S.\$)	40.9 ⁽²⁾	35.3	36.0
Fuel and non-fuel expenses (Rp.)	59.1 ⁽²⁾	64.7	64.0

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income for 2015 due to a change in accounting policy. In 2016, we ceased applying the provisions of ISFAS 8, in accordance with SFAS 30, applicable to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 whereas these provisions were applied to our IPP Power Supply Contracts in 2015. See “— Restatement of Prior Years' Consolidated Financial Statements” and “— Changes in Accounting Policies.” This change in accounting policy impacted our fuel and non-fuel expenses. The disapplication of ISFAS 8 in 2016 resulted in a significant portion of our IPP Power Supply Contracts no longer being treated as finance leases. As a result, a significant portion of expenses in 2016 were recorded under “purchased electricity,” and not recorded, as in 2015, as expenses under, among others, “fuel and lubricants” expenses, which impacts the comparability of our fuel and non-fuel expenses over the 2015-2017 period.
- (2) Solely for the convenience of the reader and to enhance the comparability of the financial information discussed above, if we had not applied ISFAS 8 in accounting for our IPP Power Supply Contracts in 2015, our fuel and non-fuel expenses for that year, expressed as a percentage of our operating expenses, would have been 32.9% (for fuel and non-fuel expenses translated in U.S.\$ at the exchange rate of Rp.13,330 = 1.00 U.S.\$) and 67.1% (in Rupiah).

The following table sets forth our fuel and non-fuel expenses for different types of fuels as a percentage of our operating expenses for the years indicated for the years indicated therein:

	Year ended December 31,		
	2015	2016 ⁽¹⁾	2017
		(%)	
Fuel oil	16.0 ⁽²⁾	9.5	8.5
Natural gas.....	22.9 ⁽²⁾	20.1	17.3
Coal	20.0 ⁽²⁾	12.1	15.4
Geothermal.....	2.2 ⁽²⁾	1.1	1.1
Hydroelectric	0.1 ⁽²⁾	0.1	0.1
Total	<u>61.2</u>	<u>42.9</u>	<u>42.4</u>

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income for 2015 due to a change in accounting policy. In 2016, we ceased applying the provisions of ISFAS 8, in accordance with SFAS 30, applicable to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 and IFAS whereas these provisions were applied to our IPP Power Supply Contracts in 2015. See “— Restatement of Prior Years' Consolidated Financial Statements” and “— Changes in Accounting Policies.” This change in accounting policy impacted our fuel and non-fuel expenses. The disapplication of ISFAS 8 in 2016 resulted in a significant portion of our IPP Power Supply Contracts no longer treated as finance leases. As a result, a significant portion of expenses in 2016 were recorded under “purchased electricity,” and not recorded, as in 2015, as expenses under, among others, “fuel and lubricants” expenses, which impacts the comparability of our fuel oil and non-fuel oil expenses over the 2015-2017 period.
- (2) Solely for the convenience of the reader and to enhance the comparability of the financial information discussed above, if we had not applied ISFAS 8 in accounting for our IPP Power Supply Contracts in 2015, our fuel and non-fuel expenses for that year, expressed as a percentage of our operating expenses, would have been 14.6% for fuel oil, 19.6% for natural gas, 13.2% for coal, 1.3% for geothermal, 0.1% for hydroelectric and 0.1% for lubricants.

We continue to explore replacing certain of our fuel oil-fired electricity generating plants with coal-fired and natural gas-fired electricity generating plants, particularly under the Fast Track

Programs and the 35,000 MW Program. However, there can be no assurance that we will be able to ensure a stable supply of coal or natural gas at reasonable prices or at all. See “*Risk Factors — Risks Relating to Our Business and Operations — We may not be able to secure sufficient supplies of natural gas or coal, which could adversely affect our business.*”

Maintenance Expenses

We have had, and expect to continue to have, significant maintenance expenses for our electricity generating plants. A substantial portion of our maintenance expenses are denominated in foreign currencies because of our significant reliance on parts and maintenance expertise not available in Indonesia. The depreciation of the Rupiah or our inability to limit increases in our maintenance expenses may affect our operating expenses and results of operations.

Indonesian Economic Growth and Demand for Electricity by End-Users

The increase in the demand for power depends in part on the growth of the Indonesian economy. The ongoing transformation of the Indonesian economy in terms of an expanding industrial and business customer base has played a particularly important role in the growth of demand for electricity. We believe that industrial, business and residential end-users will continue to be our primary end-users in the power consumption market and our results of operations will depend primarily on the growth in electricity demand of these sectors.

The following table sets forth the percentage of our electricity consumers in each tariff category and the percentage of increase/decrease from the previous year for the years indicated therein:

	As of December 31,					
	2015		2016		2017	
	(%)	% Increase/ (decrease)	(%)	% Increase/ (decrease)	(%)	% Increase/ (decrease)
Residential	92.6	6.2	92.2	4.7	91.9	5.6
Business	4.7	10.2	5.0	11.9	5.3	10.5
Industry	0.1	8.5	0.1	10.0	0.1	10.3
Public	2.6	7.0	2.7	7.8	2.7	8.1
Total	<u>100.0</u>	<u>6.4</u>	<u>100.0</u>	<u>5.1</u>	<u>100.0</u>	<u>5.9</u>

The following table sets forth the percentage of the power consumption in each tariff category of our electricity consumers and the percentage of increase/decrease from the previous year for the years indicated therein:

	As of December 31,					
	2015		2016		2017	
	(%)	% Increase/ (decrease)	(%)	% Increase/ (decrease)	(%)	% Increase/ (decrease)
Residential	43.7	5.5	43.4	5.6	42.3	0.9
Business	18.2	1.9	18.6	8.4	18.7	4.0
Industry	31.6	(2.8)	31.5	6.3	32.4	6.0
Public	6.5	6.3	6.6	8.0	6.6	4.2
Total	<u>100.0</u>	<u>2.1</u>	<u>100.0</u>	<u>6.5</u>	<u>100.0</u>	<u>3.3</u>

Completion of our Projects and Achieving Commercial Production

We expect our sales and results of operations to fluctuate depending on the development stage and completion of our projects, in particular with IPPs. We and our subsidiaries have entered into a number of joint ventures in order to implement our business strategy and increase our power generation capacity, in particular in connection with the Fast Track Programs and the 35,000 MW Program. Unexpected increases in capital expenditure linked to these projects may require additional capital contribution from our subsidiaries which may also increase our financial costs in case additional external funding is required; our inability to fund such expenditure may also negatively impact our business and results of operations.

Our results of operations and financial position will depend on the successful and timely completion of these projects and our ability to find reliable joint venture partners. Completion of new power generation projects and commercial production will generally translate in increased sales of electricity, assuming there is enough demand. Further, under our PPAs with IPPs, we are subject to take-or-pay obligations and must ensure that new power stations are properly and timely connected to our transmission lines. Our inability to complete such connection would result in no or lesser than expected electricity sales being effected in relation with increased generation capacity and costs incurred under the relevant PPAs not being matched by sales, which could materially and adversely affect our financial performance and results of operations.

Access to and Cost of Financing

We rely primarily on borrowings (such as two-step loans), our revenues from customers and subsidies from the Government (which we expect will decrease in the foreseeable future) for our financing requirements, in particular in relation to the implementation of our projects and related capital expenditures. In addition, we have, from time to time, issued debt securities. Our ability to obtain financing, as well as the cost of such financing, affects our results of operations and financial condition. Our access to funding and cost of financing are also affected by factors such as the amount of our outstanding indebtedness and any restrictions under our credit agreements, indentures or other loan documents, in respect of incurrence of further debt. See “*Capitalization and Indebtedness*,” “*Relationship with the Government*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness*.”

Effects of Rupiah Depreciation

Changes in foreign exchange rates between the Rupiah and certain currencies, principally the U.S. dollar, the Japanese Yen and the Euro have affected and will continue to affect our cash flows, results of operations and financial condition. A portion of our operating expenses and borrowings is denominated in foreign currencies. The Rupiah significantly depreciated against the U.S. dollar and a number of other foreign currencies from January 1, 2015 to December 31, 2016 before appreciating against the U.S. dollar and a number of other foreign currencies in 2016 and depreciated against the U.S. dollar and several other foreign currencies from January 1, 2017 to December 31, 2017.

A depreciation of the Rupiah against foreign currencies may increase our operating expenses denominated in or tied to the value of foreign currencies and would increase the Rupiah cost of our foreign currency capital expenditures, which include expenditures for equipment and machinery and many of our expenses related to the Fast Track Programs and the 35,000 MW Program. In addition, the depreciation of the Rupiah against foreign currencies increases, in Rupiah terms, our interest expenses on foreign currency-denominated indebtedness, as well as increases, in Rupiah terms, our principal repayments on foreign currency-denominated indebtedness. As of December 31, 2017, approximately 60.9% of our total outstanding debt (including two-step loans, Government loans, bank loans and electricity purchase payable) was denominated in U.S. dollars and other foreign currencies. Therefore, depreciation of the Rupiah can result in a substantial increase in our interest expenses, as well as an increase in the amount of U.S. dollar-denominated indebtedness, reported in Rupiah in our consolidated financial statements.

We hedge in accordance with PBI 16/21/2014 which mandated a hedging ratio limited to 20% of the amount by which our foreign currency liabilities that become due in the following two consecutive three-month periods exceeds our foreign currency assets. In addition, we were required to maintain a liquidity ratio (defined as the ratio of foreign currency assets to foreign currency liabilities set to mature in the ensuing three months) of 50%. Commencing on January 1, 2016, the minimum hedging ratio was increased to 25%, while the minimum liquidity ratio was raised to 70%. As of the date of this Offering Memorandum, the minimum hedging and liquidity ratios have remained the same. The fluctuations in the Rupiah-U.S. dollar exchange rate affect our debt service costs, fuel costs and operating costs, obligations to IPPs and capital expenditures. Most of our revenues are in Rupiah, and we maintain our consolidated financial statements in Rupiah.

Finally, the presentation currency of the financial statements of two of our subsidiaries (Majapahit Holding B.V. and Majapahit Finance B.V.) is not the Rupiah. Therefore, variations in the foreign exchange rate of the Rupiah may have a material impact on the translation in Rupiah of these subsidiaries' financial statements and, therefore, may impact our consolidated financial statements.

Modification of the current floating exchange rate policy could also result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. For additional information, please see "*Risk Factors — Risks Relating to our Business and Operations — Depreciation in the value of the Rupiah may have a material adverse effect on our business, financial condition or results of operations and our ability to make payments under the Notes.*" This could result in a reduction of economic activity, an economic recession, loan defaults and increases in the price of imports, all of which could have an adverse impact on our results of operations.

Seasonality

Demand for electricity is seasonal and is generally lower during, for example, the dry season from April through September. Demand substantially decreases during certain holidays such as the end of Ramadan. We also experience higher demand for electricity from our industrial customers in the second half of the year, generally reflecting their production cycles. As a result of these seasonal patterns, our sales and results of operations may be lower during certain quarterly periods which may vary from year to year depending, among other things, on the set dates of Ramadan.

Changes in Accounting Policies

ISFAS No. 8 — Determining Whether an Arrangement Contains a Lease

Our audited restated consolidated financial statements as of and for the year ended December 31, 2015 included elsewhere in this Offering Memorandum were prepared applying ISFAS 8 to our IPP Power Supply Contracts and, consequently, we have assessed whether a lease element was embedded in these contracts and further evaluated whether a particular lease qualified as a finance lease or an operating lease pursuant to ISFAS 8.

As discussed above under "*—Restatement of Prior Years' Consolidated Financial Statements — Leases — Effect of Different Lease Accounting Treatment on Comparability,*" we have, since 2008, had a number of changes in the way we account for our IPP Power Supply Contracts. In 2015, our management determined that our IPP Power Supply Contracts should be exempted from the scope of ISFAS 8, and as a result our consolidated financial statements as of and for the year ended December 31, 2015 were prepared without applying ISFAS 8 to our IPP Power Supply Contracts and, consequently, these contracts were accounted as normal purchases of electricity (as opposed to finance leases).

However, on March 1, 2017, the OJK issued Regulation No. 6, which requires issuers such as our Company to account for transactions entered into pursuant to PPAs as sale and purchase transactions for the financial years/periods commencing on or after January 1, 2017. This mandatory accounting

policy applies prospectively. Regulation No. 6 also permits qualified issuers to voluntarily apply this accounting policy for the financial year/period commencing on or after January 1, 2016. Our management elected to implement this accounting policy starting from January 1, 2016. Therefore, pursuant to Regulation No. 6, we have prepared our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 without applying ISFAS 8 and our IPP Power Supply Contracts have not been accounted for as finance leases for financial reporting purposes in accordance with SFAS 30. As a result of this new regulation, our management further determined that our consolidated financial statements for 2015 should, in fact, be prepared applying ISFAS 8 to our IPP Power Supply Contracts. As a result, we restated our previously published consolidated financial statements as of and for the year ended December 31, 2015 to apply ISFAS 8 to our IPP Power Supply Contracts. As a result, our restated audited consolidated financial statements as of and for the year ended December 31, 2015 included elsewhere in this Offering Memorandum were prepared on the basis that ISFAS 8 applied to our IPP Power Supply Contracts, and our audited consolidated financial statements as of and for the years ended December 31, 2016 and 2017 included elsewhere in this Offering Memorandum were prepared on the basis that ISFAS 8 did not apply to our IPP Power Supply Contracts. See also “— *Restatement of Prior Years’ Consolidated Financial Statements.*”

Pursuant to Regulation No. 6, we do not intend to apply ISFAS 8 to our IPP Power Supply Contracts for future periods. Regulation No. 6 further stipulates that this accounting policy will be effective until the end of our assignment to accelerate the development of the electricity infrastructure of Indonesia. We expect to continue not to apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, as no termination date to this assignment has been set, according to Presidential Regulation No. 4 Year 2016 Regarding Accelerated Electricity Infrastructure Development (January 8, 2016), as amended by Presidential Regulation No. 14 year 2017 Regarding Accelerated Electricity Infrastructure Development (February 20, 2017). “*See Risk Factors — We have implemented changes in how we account for our IPP Power Supply Contracts which make it difficult to compare our financial information from year to year.*”

Critical Accounting Policies

Our consolidated financial statements as of and for the year ended December 31, 2015 have been prepared in accordance with IFAS, and our consolidated financial statements as of and for the years ended December 31, 2016 and 2017 have been prepared in accordance with Indonesian GAAP. The preparation of our consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Our management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. We continually evaluate such estimates and judgments. Actual results may differ from these estimates under different assumptions or actual conditions. In order to provide an understanding of how our management forms their judgment about future events, including the variables and assumptions underlying our estimates, and the sensitivity of judgments to different circumstances, we have identified the critical accounting policies discussed below. For more details, see Notes 3 and 4 to our consolidated financial statements included elsewhere in this Offering Memorandum.

Property, Plant and Equipment — Direct Acquisition

Property, plant and equipment include major spare parts and stand-by equipment, with economic benefits of more than one year, which are used to ensure the continuity and stability of our power plant operations and electricity installations necessary to produce and distribute electricity. Before December 31, 2015, after initial recognition, property, plant and equipment held for use, except land rights, were stated at cost, less accumulated depreciation and any accumulated impairment losses and land rights were stated at cost. On December 31, 2015, we changed our accounting policy for several classes of assets from the cost model to the revaluation model. As a result, with effect from January 1, 2016, we have accounted for the following classes of assets at fair value, less subsequent depreciation and impairment losses: buildings, reservoir and infrastructure, installations and power plant, transmission equipment, distribution equipment, telecommunication and data processing

equipment used for electricity supply and major spare parts. Land rights are shown at fair value. Valuation of the foregoing assets is performed by external independent valuers which are registered with OJK. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amount arising on revaluation of property, plant, and equipment that use revaluation model are credited to “asset revaluation surplus” as part of other comprehensive income. Decreases that offset previous increases of the same asset are debited against “asset revaluation surplus” as part of other comprehensive income; all other decreases are charged to the profit or loss.

Land rights are not depreciated. Initial costs incurred to obtain land rights are recognized as part of the acquisition cost of the land rights, and these costs are not depreciated. Assets, except land rights, are depreciated to their residual value using the straight-line method over their expected useful lives as set out in further detail in Note 3(j) to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant leases where there is no reasonable certainty that the Company and its subsidiaries will obtain ownership at the end of the lease term.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of or service an item of property, plant and equipment are recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in the profit or loss. Assets that are temporarily not used in operations are recorded as part of property, plant and equipment. Assets not used in operations are depreciated using the same method and based on the economic useful lives of the property, plant and equipment.

Determining Whether an Arrangement Contains a Lease, Lease Classification and Purchase of Electricity

For further information on how our management determines whether our IPP Power Supply Contracts contains a lease, see “— *Restatement of Prior Years’ Consolidated Financial Statements*” and Note 3(l) to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incident to ownership of an asset to the lessee. All other leases are classified as operating leases.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments (net of any incentives received from the lessor) are recognized as expenses on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as expenses in the period in which they are incurred.

For lease agreements with IPPs, our Company and its subsidiaries have assessed whether it is a finance or an operating lease based on the contractual terms of the agreement. The costs paid to purchase electricity on agreements that are not classified as finance lease are recognized as expenditures in profit or loss account as incurred.

In our restated audited consolidated financial statements for 2015 included elsewhere in this Offering Memorandum, we applied ISFAS 8 to our IPP Power Supply Contracts and treated most of our IPP Power Supply Contracts as finance leases. In our audited consolidated financial statements for 2016 and 2017 included elsewhere in this Offering Memorandum, we did not apply ISFAS 8 in accounting for our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6, and as a result our IPP Power Supply Contracts have not been accounted for as finance leases in such consolidated financial statements. This change in accounting policy has a significant and direct impact on our financial results. See "*— Changes in Accounting Policies*" and "*— Restatement of Prior Years' Consolidated Financial Statements*" for further details on the impact of ISFAS 8 on our audited consolidated financial statements. Our management continually evaluates the appropriateness of various accounting policies, as further required or informed by various regulations and guidance issued by the Government, including regulatory bodies such as OJK. Our management has in the past taken different positions on the appropriateness of treating our IPP Power Supply Contracts as finance leases based on factors that it believed to be reasonable under the circumstances. Pursuant to Regulation No. 6, we expect to continue to not apply ISFAS 8 to our IPP Power Supply Contracts for the foreseeable future, at least until our assignment to accelerate the development of electricity infrastructure in Indonesia has been completed or terminated. There can be no assurance, however, that the Government or the OJK may issue different or new regulations or guidance in the future which leads our management to go back to treating IPP Power Supply Contracts as finance leases. As our description of the effects of applying ISFAS 8 under "*— Restatement of Prior Years' Consolidated Financial Statements*" illustrates, any change in the application of such accounting policy could have a significant impact on our financial statements, including any potential restatements of prior years' financials resulting from such change.

Revenue and Expense Recognition

Revenue from the sale of electricity is recognized based on electricity usage (kWh).

The Government's electricity subsidy is recognized as revenue on an accrual basis, which is computed in accordance with the provisions stipulated in the prevailing Decree of Ministry of Finance of the Republic of Indonesia.

We recognize customers' connection fees used to construct or acquire property, plant, and equipment to connect the customers to our network as revenues when we complete the connection service.

Revenues from telecommunication network and services, transformer rental and other administrative services are recognized with reference to the stage of completion of the transaction at the reporting date.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses are recognized when incurred on an accrual basis.

Pension and Employee benefits

Post-employment benefits

Our Company and its subsidiaries have established a defined benefit pension plan covering all of their eligible permanent employees. Our Company and its subsidiaries also provide other unfunded defined postemployment benefit plans for their qualifying employees based on our Company and its subsidiaries' policies.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

Long-term benefits

Long-term benefits are determined using the projected unit credit method. Past service costs are recognized immediately in profit or loss. Our Company and its subsidiaries recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement of a defined benefit plan is recognized in profit or loss when the curtailment or settlement occurs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to profit or loss.

The long-term employee benefits liabilities recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

Impairment of Non-Financial Assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset and the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as available-for-sale (“AFS”) financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becomes probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include our Company’s and our subsidiaries’ past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains previously recognized in equity are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Results of Operations

The following table sets forth certain revenue and expense items for our consolidated operations and for the years indicated therein:

	Year ended December 31,						
	2015		2016 ⁽¹⁾		2017 ⁽¹⁾		U.S.\$ ⁽³⁾
	Rp.	% ⁽²⁾	Rp.	% ⁽²⁾	Rp.	% ⁽²⁾	
<i>(Rp. billions and U.S.\$ millions, except percentages)</i>							
Revenues							
Sale of electricity	209,845	76.6	214,140	76.2	246,587	81.9	18,201
Customer connection fees.....	6,141	2.2	7,052	2.5	7,113	2.4	525
Others	1,361	0.5	1,630	0.6	1,595	0.5	118
Total revenues	<u>217,347</u>	<u>79.4</u>	<u>222,822</u>	<u>78.7</u>	<u>255,295</u>	<u>84.8</u>	<u>18,844</u>

	Year ended December 31,						
	2015		2016 ⁽¹⁾		2017 ⁽¹⁾		U.S.\$ ⁽³⁾
	Rp.	% ⁽²⁾	Rp.	% ⁽²⁾	Rp.	% ⁽²⁾	
	<i>(Rp. billions and U.S.\$ millions, except percentages)</i>						
Operating expenses							
Fuel and lubricants	(138,408)	(50.5)	(109,492)	(39.0)	(116,948)	(38.8)	(8,632)
Purchased electricity	(4,421)	(1.6)	(59,729)	(21.3)	(72,427)	(24.1)	(5,346)
Lease	(8,066)	(2.9)	(6,545)	(2.3)	(6,592)	(2.2)	(487)
Maintenance.....	(21,861)	(8.0)	(21,227)	(7.6)	(19,516)	(6.5)	(1,441)
Personnel	(20,321)	(7.4)	(22,660)	(8.1)	(23,125)	(7.7)	(1,707)
Depreciation	(25,407)	(9.3)	(27,512)	(9.8)	(29,161)	(9.7)	(2,152)
Others.....	(7,090)	(2.6)	(7,284)	(2.6)	(7,707)	(2.6)	(569)
Total operating expenses	<u>(225,574)</u>	<u>(82.4)</u>	<u>(254,450)</u>	<u>(90.6)</u>	<u>(275,474)</u>	<u>(91.5)</u>	<u>(20,333)</u>
Operating loss before subsidy	<u>(8,227)</u>	<u>(3.0)</u>	<u>(31,628)</u>	<u>(11.3)</u>	<u>(20,179)</u>	<u>(6.7)</u>	<u>(1,490)</u>
Government's electricity subsidy.....	56,553	20.6	58,043	20.7	45,738	15.2	3,376
Operating income	<u>48,325</u>	<u>17.6</u>	<u>26,415</u>	<u>9.4</u>	<u>25,559</u>	<u>8.5</u>	<u>1,886</u>
Other income — net.....	2,437	0.9	1,092	0.4	3,410	1.1	252
Financial income.....	627	0.2	579	0.2	1,067	0.4	79
Financial cost	(39,977)	(14.6)	(18,703)	(6.7)	(18,557)	(6.2)	(1,370)
Gain (Loss) on foreign exchange — net	<u>(27,326)</u>	<u>(10.0)</u>	<u>4,195</u>	<u>1.5</u>	<u>(2,935)</u>	<u>(1.0)</u>	<u>(217)</u>
Income (Loss) before tax	<u>(15,913)</u>	<u>(5.8)</u>	<u>13,578</u>	<u>4.8</u>	<u>8,544</u>	<u>2.8</u>	<u>630</u>
Tax benefit (expenses)	21,940	8.0	(5,428)	(1.9)	(4,116)	1.4	304
Income for the year	<u>6,027</u>	<u>2.2</u>	<u>8,150</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Income for the year attributable to:							
Owners of the Company.....	6,011	2.2	8,114	2.9	4,410	1.5	326
Non-controlling interest	16	0.0	37	0.0	18	0	0
Total	<u>6,027</u>	<u>2.2</u>	<u>8,151</u>	<u>2.9</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>
Basic earnings per share (in full Rupiah amount)	<u>130,106</u>	<u>0.0</u>	<u>150,009</u>	<u>0.0</u>	<u>50,541</u>	<u>0.0</u>	<u>0</u>

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income for 2015 due to a change in accounting policy. In 2016, we ceased applying the provisions of ISFAS 8, in accordance with SFAS 30, applicable to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 and IFAS whereas these provisions were applied to our IPP Power Supply Contracts in 2014 and 2015. See "— *Restatement of Prior Years' Consolidated Financial Statements*," "— *Changes in Accounting Policies*," and "— *Results of Operations — 2016 and 2015*."
- (2) Expressed as a percentage of total revenues plus the Government's electricity subsidy.
- (3) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "— *Exchange Rates*" for further information about exchange rates and recent fluctuations in exchange rates.

Principal Components of Results of Operations

Revenues

Sale of electricity

Our revenues are principally derived from the sale of electricity.

Customer connection fees

Our customer connection fees are the fees charged for electricity connections and upgrading of electricity power. We recognize customer connection fees as a part of our revenue after customers have been successfully connected to our distribution services. Our connection fees are based on, among other things, the type of customer (such as residential, business, industrial or public), voltage level, location, site conditions and other installation requirements (such as the need to install a new line).

Others

Our other revenues consist of transformer rental services and other administrative services, as well as include revenues recognized in respect of the provision of information and telecommunication services by our subsidiary, PT Indonesia Comnets Plus, to third parties.

Operating Expenses

Fuel and lubricants

Our principal expenses are the purchase of fuel oil, coal, natural gas and geothermal energy. Our purchases of fuel oil from Pertamina are based on market price (MOPS) plus a margin as negotiated with Pertamina. Coal, natural gas and geothermal energy costs are based on contractual prices. A substantial portion of our fuel expenses are denominated in, or linked to, the U.S. dollar. We also purchase lubricants for our machinery. In 2015, our fuel and lubricants expenses included fuel and lubricant expenses in respect of our IPP Power Supply Contracts. The IPP Power Supply Contracts provide for the reimbursement of these expenses by us.

Purchased electricity

Purchased electricity costs are the costs of purchasing electricity from IPPs with whom we have entered into PPAs. Our purchased electricity costs are generally set out in the PPAs and include both fixed and variable charges.

Under ISFAS 8, purchased electricity costs are the costs of purchasing excess power from IPP captive power generators, which primarily generate power for their own internal usage and only sell excess power on short term basis to us. In addition, purchased electricity costs may also include the costs of purchasing electricity during the commissioning of an IPP. In 2015, under ISFAS 8, most purchased electricity expenses are recorded as lease, maintenance, fuel and lubricants expenses, repayments of lease liabilities and financial cost.

Lease

Lease expenses primarily include the costs of renting generating units and operating lease payments.

Maintenance

Maintenance expenses include routine maintenance charges, labor costs, contractors' fees and the cost of procuring parts in connection with major maintenance. In 2015, our maintenance expenses include maintenance expenses in respect of our IPP Power Supply Contracts. The IPP Power Supply Contracts provide for the reimbursement of these maintenance expenses by us.

Personnel expenses

Personnel expenses includes salaries, allowances, incentives and employee benefits such as pension and health insurance expenses.

Depreciation

Depreciation includes depreciation expenses in respect of property, plant and equipment, such as installations and power plants, distribution equipment, transmission equipment, buildings, reservoir and infrastructure, general equipment, motor vehicles, spare parts and telecommunication and data processing equipment. In 2015, our depreciation also included depreciation expenses in respect of our IPP Power Supply Contracts which contains a lease.

Others

Our other expenses include various administrative expenses, such as travel, honorarium, meter reading, billing collection, marketing, insurance and bill printing, among others.

Government's electricity subsidy

The Government provides us subsidies on the basis that we perform PSOs. Costs covered by the subsidies are electric power purchases, fuel expenses (such as for fuel oil, natural gas, geothermal, coal, lubricating oil), maintenance expenses (such as for material), personnel expenses, administration expenses, depreciation of fixed operational assets and financing costs used for electric power provision. See “*Relationship with the Government — Government as Lender and Provider of Subsidies.*”

Financial income

Financial income refers to income from time deposits and short-term investments and long-term receivables.

Financial cost

Interest expense and financing charges refer to interest payable on bank loans, two-step loans, government loans and bonds, expenses due to IPPs for accounts payable and interest on financial instruments. In 2015, our financial cost included interest payments for financing relating to IPP Power Supply Contracts, contingent rent payments to certain IPPs and certain margin recovery costs payable in respect of our IPP Power Supply Contracts.

Other income — net

This line item consists primarily of amounts earned from administrative fees charged from customers who wish to upgrade their electricity capacity and for other services such as changing the name of customers for contracts, fees charged for relocation of power lines, administrative penalties charged for late payments, service income and fees for public light collection services. In addition, this line item includes honorarium, primarily consisting of fees paid to third parties for maintenance of lines.

2017 and 2016

The following table sets forth certain revenue and expense items for our consolidated operations for 2016 and 2017. The information should be read in conjunction with our Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

	Year ended December 31,				
	2016		2017		
	Actual				
	Rp.	% ⁽¹⁾	Rp	% ⁽¹⁾	U.S.\$ ⁽²⁾
	<i>(Rp. billions and U.S.\$ millions, except percentages)</i>				
Revenues					
Sale of electricity	214,140	76.2	246,587	81.9	18,201
Customer connection fees	7,052	2.5	7,113	2.4	525
Others.....	1,630	0.6	1,595	0.5	118
Total revenues	<u>222,822</u>	<u>78.7</u>	<u>255,295</u>	<u>84.8</u>	<u>18,844</u>
Operating expenses					
Fuel and lubricants	(109,492)	(39.0)	(116,948)	(38.8)	(8,632)
Purchased electricity.....	(59,729)	(21.3)	(72,427)	(24.1)	(5,346)
Lease	(6,545)	(2.3)	(6,592)	(2.2)	(487)
Maintenance	(21,227)	(7.6)	(19,516)	(6.5)	(1,441)
Personnel.....	(22,660)	(8.1)	(23,125)	(7.7)	(1,707)
Depreciation	(27,512)	(9.8)	(29,161)	(9.7)	(2,152)
Others.....	(7,284)	(2.6)	(7,707)	(2.6)	(569)
Total operating expenses	<u>(254,450)</u>	<u>(90.6)</u>	<u>(275,474)</u>	<u>(91.5)</u>	<u>(20,333)</u>
Operating loss before subsidy	<u>(31,628)</u>	<u>(11.3)</u>	<u>(20,179)</u>	<u>(6.7)</u>	<u>(1,490)</u>
Government's electricity subsidy.....	58,043	21.3	45,738	15.2	3,376
Operating income	<u>26,415</u>	<u>10.2</u>	<u>25,559</u>	<u>8.5</u>	<u>1,886</u>
Other income — net	1,092	0.4	3,410	1.1	252
Financial income	579	0.2	1,067	0.4	79
Financial cost	(18,703)	(6.7)	(18,557)	(6.2)	(1,370)
Gain (Loss) on foreign exchange — net	4,195	1.5	(2,935)	(1.0)	(217)
Income before tax	<u>13,578</u>	<u>5.6</u>	<u>8,544</u>	<u>2.8</u>	<u>630</u>
Tax benefit (expenses)	(5,428)	(1.9)	(4,116)	(1.4)	(304)
Income for the year	<u>8,150</u>	<u>3.7</u>	<u>4,428</u>	<u>1.5</u>	<u>327</u>

Notes:

- (1) Expressed as a percentage of total revenues plus the Government's electricity subsidy.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Total Revenue

Our total revenue increased by Rp.32,473 billion (or 14.6%) to Rp.255,295 billion in 2017, from Rp.222,822 billion in 2016. This increase was primarily due to an increase in the sale of electricity, as described below.

Sale of electricity

Our sale of electricity increased by Rp.32,447 billion (or 15.2%) to Rp.246,587 billion in 2017, from Rp.214,140 billion in 2016. This increase was primarily due to a 5.9% increase in the number of our customers, to 68.1 million in 2017 from 64.3 million in 2016, and a 3.3% increase in volume of electricity sold to 223,134 GWh in 2017 from 216,004 GWh in 2016.

Customer connection fees

Our customer connection fees increased by Rp.61 billion (or 0.9%) to Rp.7,113 billion in 2017, from Rp.7,052 billion in 2016. This increase was primarily due to an increase in the number of new customers and an increase in fees from upgrading the voltage of our existing customers.

Others

Other revenues decreased by Rp.35 billion (or 2.2%) to Rp.1,595 billion in 2017, from Rp.1,630 billion in 2016, primarily due to decreased revenue generated from the rendering of other services by our Company such as the rental fees for transformers and temporary connection fees.

Operating Expenses

Our total operating expenses increased by Rp.21,024 billion (or 8.3%) to Rp.275,474 billion in 2017, from Rp.254,450 billion in 2016. This increase was mainly due to the increase in electricity purchased and of fuel and lubricant expenses.

Fuel and lubricants

Our fuel and lubricants expenses increased by Rp.7,455 billion (or 6.8%) to Rp.116,948 billion in 2017, from Rp.109,492 billion in 2016. This increase was mainly due to the higher volume of coal purchase combined with an increase of Indonesian coal price to U.S.\$85.9 per ton in 2017 compared to U.S.\$61.8 per ton in 2016 which resulted in coal expense increasing by Rp.11,514 (or 37.3%) to Rp.42,416 billion in 2017, from Rp.30,901 billion in 2016.

Purchased electricity

Our purchased electricity increased by Rp.12,697 billion (or 21.3%) to Rp.72,427 billion in 2017, from Rp.59,729 billion in 2016. This increase resulted from our increased purchases of electricity generated by certain IPPs as contractually required pursuant to applicable PPAs. The aggregate amount of excess electricity that we purchased pursuant to these agreements increased in 2017.

Lease

Our lease expense increased by Rp.47 billion (or 0.7%) to Rp.6,592 billion in 2017, from Rp.6,545 billion in 2016. This increase was primarily due to fewer rentals of generator units.

Maintenance

Our maintenance expenses decreased by Rp.1,711 billion (or 8.1%), to Rp.19,516 billion in 2017, from Rp.21,227 billion in 2016. This decrease was primarily due to increased efficiency in our maintenance expenses as we improved our periodic maintenance schedule.

Personnel

Our personnel expenses increased by Rp.465 billion (or 2.1%) to Rp.23,125 billion in 2017, from Rp.22,660 billion in 2016. This increase was primarily due to higher salaries, bonuses, incentive payments and allowances in particular due to an increase in headcount in connection with the implementation of the 35,000 MW Program.

Depreciation

Our depreciation expenses increased by Rp.1,649 billion (or 6.0%) to Rp.29,161 billion in 2017, from Rp.27,512 billion in 2016. This increase was primarily due to incremental depreciation expenses related to an increase in the value of the fixed assets arising from the asset revaluation exercise carried out at the end of 2015 and additions of fixed assets acquired in 2017.

Others

Other operating expenses increased by Rp.423 billion (or 5.8%) to Rp.7,707 billion in 2017, from Rp.7,284 billion in 2016. This increase was primarily due to increased travel expenses, meter reading expenses, electricity, gas, electricity and water consumption, postage, billing collection, customer maintenance and information technology expenses. The increases in meter reading expenses, billing collection and customer maintenance were mainly due to the increased number of customers while the higher travel expenses were due to an increase in the number of employees.

Government's Electricity Subsidy

In 2017, we recognized Rp.45,738 billion as revenue from Government electricity subsidies, a decrease of Rp.12,305 billion (or 21.2%) from Rp.58,043 billion recognized as revenue in 2016. This decrease resulted from a decrease in the number of customers that were eligible for subsidies following a survey by the national team for the acceleration of poverty reduction (TNP2K).

Operating Income

Our operating income decreased by Rp.856 billion (or 3.2%) to Rp.25,559 billion in 2017, from Rp.26,415 billion in 2016. This decrease was primarily due to the decrease in subsidy amount which was caused by some customers already moving to automatic tariff adjustment.

Financial income

Our financial income increased by Rp.488 billion (or 84.4%) to Rp.1,067 billion in 2017, from Rp.579 billion in 2016, primarily due to an increase in average balance of cash and cash equivalent and a decrease in the interest rate of U.S. dollar time deposits which were partially offset by an increase in the interest rate of Rupiah time deposits.

Financial cost

Our financial cost decreased by Rp.146 billion (or 0.8%) to Rp.18,557 billion in 2017, from Rp.18,703 billion in 2016. This decrease was primarily due to a decrease in Government loans and non-bank government financial institution loans, lease liabilities, electricity purchase payable and lower coupons for bonds payable maturing in 2017 compared to 2016. Further, most of the new debt that we incurred in 2017 was used for capital expenditures which permits us to capitalize most of the financial cost until the related projects become operational.

Other income — net

Our other net income increased by Rp.2,318 billion (or 212.2%) to Rp.3,410 billion in 2017, from Rp.1,092 billion in 2016. This increase was primarily due to adjustments to the book value of certain operating assets due to a change in technology and related obsolescence and a decrease in the equity in net income in associates and joint ventures.

Gain/(loss) on foreign exchange — net

We recognized a loss on foreign exchange of Rp.2,935 billion in 2017, as compared to a gain of Rp.4,195 billion in 2016. This loss in 2017 was primarily due to the depreciation of the Rupiah against the U.S. dollar, Euro and Japanese Yen.

Income/(loss) before tax

As a result of the foregoing, our income before tax decreased by Rp.5,034 billion (or 37.1%) to Rp.8,544 billion in 2017, from income before tax of Rp.13,578 billion in 2016.

Tax expense

Our tax expense decreased by Rp.1,312 billion (or 24.2%) to Rp.4,116 billion in 2017, from Rp.5,428 billion in 2016. The decrease in tax expense in 2017 was primarily due to a significant decrease in deferred tax benefit in 2016 which was primarily due to deferred tax expenses incurred of Rp.3,731 billion for 2017 compared to deferred tax benefit of Rp.5,164 billion for 2016. The deferred tax expense for 2016 primarily reflected the effect of the increase in value of fixed assets following the revaluation exercise carried out at the end of 2015 and also the method of depreciation used.

Income for the year

As a result of the foregoing, our income for the year decreased by Rp.3,722 billion (or 45.7%) to Rp.4,428 billion in 2017, from Rp.8,150 billion in 2016.

2016 and 2015

See “*Presentation of Financial Information*” “— *Changes in Accounting Policies*” and “— *Restatement of Prior Years’ Consolidated Financial Statements.*”

As described above, following the issuance of Regulation No. 6 “Accounting Treatment of Transactions Based on Power and Sale Purchase Agreement,” we have changed our accounting policy and ceased to apply the provisions of ISFAS 8 effective from January 1, 2016. However, the consolidated financial statements as of and for the year ended December 31, 2015 apply the provisions of ISFAS 8 in accordance with IFAS. As a result, our consolidated financial statements as of and for the year ended December 31, 2016 are not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015. See also “*Presentation of Financial Information*” and “— *Changes in Accounting Policies.*”

In particular, the application of ISFAS 8 in 2015 resulted in a significant portion of our IPP Power Supply Contracts to be treated as finance leases. As a result, a significant portion of expenses which would have been recorded under “purchased electricity” had ISFAS 8 not been applied, was recorded as expenses under “fuel and lubricants”, “leases”, “maintenance”, “depreciation” and “financial cost.”

Solely for the convenience of the reader and to enhance the comparability of the financial information discussed in this Offering Memorandum, we also discuss certain financial information that excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts in 2015 in order to provide additional information, on an illustrative basis, when comparing to financial information for 2016, which under Regulation No. 6 also excludes the effects of applying ISFAS 8 to our IPP Power Supply Contracts. Such adjusted 2015 financial information is not directly comparable to our restated consolidated financial statements as of and for the year ended December 31, 2015 which were prepared in accordance with IFAS and applied the provisions of ISFAS 8. The 2015 financial information that excludes the effects of ISFAS 8 is neither audited nor reviewed and is not based on IFAS or any generally accepted accounting principles. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms) were not engaged to audit, review or apply any procedures on this financial information. Accordingly, prospective investors should not rely on this 2015 financial information that excludes the effects of ISFAS 8 as if it had been audited or reviewed by our independent public accountants, or prepared in full compliance with IFAS. The as-adjusted information has not been audited and has been presented solely for convenience to enhance the comparability of our results of operations for 2015 and 2016. The information should be read in conjunction with our Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

The following table sets forth certain revenue and expense items for our consolidated operations for 2015 and 2016. The 2015 information has been presented (i) on an actual basis as set forth in our 2015 audited consolidated financial statements and (ii) as adjusted to present such information as if our financial statements had been prepared without applying the provisions of ISFAS 8 to our IPP Power Supply Contracts. The as adjusted information has been presented solely for convenience to enhance the comparability of our results of operations for 2015 and 2016. The information should be read in conjunction with our Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

	Year ended December 31,						
	2015				2016		
	Actual		Adjusted (unaudited)		Rp.	% ⁽¹⁾	U.S.\$ ⁽²⁾
	Rp.	% ⁽¹⁾	Rp.	% ⁽¹⁾			
	<i>(Rp. billions and U.S.\$ millions, except percentages)</i>						
Revenues							
Sale of electricity	209,845	76.6	209,845	76.6	214,140	76.2	15,938
Customer connection fees.....	6,141	2.2	6,141	2.2	7,052	2.5	525
Others.....	1,361	0.5	1,361	0.5	1,630	0.6	121
Total revenues	<u>217,347</u>	<u>79.4</u>	<u>217,347</u>	<u>79.4</u>	<u>222,822</u>	<u>78.7</u>	<u>16,584</u>
Operating expenses							
Fuel and lubricants	(138,408)	(50.5)	(120,587)	(44.0)	(109,492)	(39.0)	(8,149)
Purchased electricity	(4,421)	(1.6)	(51,691)	(18.9)	(59,729)	(21.3)	(4,445)
Lease	(8,066)	(2.9)	(7,561)	(2.8)	(6,545)	(2.3)	(487)
Maintenance.....	(21,861)	(8.0)	(17,593)	(6.4)	(21,227)	(7.6)	(1,580)
Personnel	(20,321)	(7.4)	(20,321)	(7.4)	(22,660)	(8.1)	(1,687)
Depreciation	(25,407)	(9.3)	(21,419)	(7.8)	(27,512)	(9.8)	(2,048)
Others.....	(7,090)	(2.6)	(7,090)	(2.6)	(7,284)	(2.6)	(542)
Total operating expenses	<u>(225,574)</u>	<u>(82.4)</u>	<u>(246,262)</u>	<u>(89.9)</u>	<u>(254,450)</u>	<u>(90.6)</u>	<u>(18,938)</u>
Operating loss before subsidy	<u>(8,227)</u>	<u>(3.0)</u>	<u>(28,915)</u>	<u>(10.6)</u>	<u>(31,628)</u>	<u>(11.3)</u>	<u>(2,354)</u>
Government's electricity subsidy.....	56,553	20.6	56,553	20.6	58,043	20.7	4,498
Operating income	<u>48,325</u>	<u>17.6</u>	<u>27,637</u>	<u>10.1</u>	<u>26,415</u>	<u>9.4</u>	<u>2,145</u>
Other income — net.....	2,437	0.9	2,437	0.9	1,092	0.4	81
Financial income.....	627	0.2	627	0.2	579	0.2	43
Financial cost	(39,977)	(14.6)	(17,536)	(6.4)	(18,703)	(6.7)	(1,392)
Gain (Loss) on foreign exchange — net	<u>(27,326)</u>	<u>(10.0)</u>	<u>(16,230)</u>	<u>(5.9)</u>	<u>4,195</u>	<u>1.5</u>	<u>312</u>
Income (Loss) before tax	<u>(15,913)</u>	<u>(5.8)</u>	<u>(3,064)</u>	<u>(1.1)</u>	<u>13,578</u>	<u>4.8</u>	<u>1,189</u>
Tax benefit (expenses)	<u>21,940</u>	<u>8.0</u>	<u>18,649</u>	<u>6.8</u>	<u>(5,428)</u>	<u>(1.9)</u>	<u>(404)</u>
Income for the year	<u>6,027</u>	<u>2.2</u>	<u>15,585</u>	<u>5.7</u>	<u>8,150</u>	<u>2.9</u>	<u>785</u>

Notes:

- (1) Expressed as a percentage of total revenues plus the Government's electricity subsidy.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2016 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,436 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Total Revenue

Our total revenue increased by Rp.5,475 billion (or 2.5%) to Rp.222,822 billion in 2016, from Rp.217,347 billion in 2015. This increase was primarily due to an increase in sale of electricity, as described below.

Sale of electricity

Our sale of electricity increased by Rp.4,295 billion (or 2.0%) to Rp.214,140 billion in 2016, from Rp.209,845 billion in 2015. This increase was primarily due to a 5.1% increase in the number of our customers, to 64.3 million in 2016 from 61.2 million in 2015, and a 6.2% increase in volume of electricity sold to 215,446 GWh in 2016 from 202,846 GWh in 2015.

Based on Rp. value, sale of electricity to households, industry and businesses increased by 2.4% principally due to increased volumes of electricity sold. This increase in volumes was primarily due to incentives and governmental assistance to business and industrial customers in the form of reduced tariffs from 11.00p.m. to 8.00a.m. and a deferred payment scheme for industrial and business customers that operate in labor-intensive sectors which have been negatively impacted by challenging macro-economic conditions. The overall improvement of the Indonesian macro-economic environment in 2016 also contributed to increased activity levels and, consequently, consumption of electricity. This increase was only partially offset by a 5.6% decrease in sale of electricity to other state owned enterprises in 2016. This decrease in sale of electricity to state owned enterprises resulted from reduced business expansion in certain sectors such as mining, cement, mining and manufacturing, reflecting in part a challenging macro-economic environment and the successful implementation of cost-saving programs by state owned enterprises.

Customer connection fees

Our customer connection fees increased by Rp.911 billion (or 14.8%) to Rp.7,052 billion in 2016, from Rp.6,141 billion in 2015. This increase was primarily due to a higher number of customers, in particular in customer groups with respect to which we charge higher connection fees.

Others

Other revenues increased by Rp.269 billion (or 19.8%) to Rp.1,630 billion in 2016, as compared to Rp.1,361 billion in 2015, primarily due to increased revenue received from our subsidiary PT Indonesia Comments Plus in connection with their providing of information and communication technology services to third parties and revenue generated by the rendering of other services by our Company.

Operating Expenses

Our total operating expenses increased by Rp.28,876 billion (or 12.8%) to Rp.254,450 billion in 2016, from Rp.225,574 billion in 2015. This increase was primarily due to the change of accounting policy and the disapplication of ISFAS 8 to our IPP Power Supply Contracts in preparing our consolidated financial statements for the year ended December 31, 2016. See “— *Restatement of Prior Years’ Consolidated Financial Statements*” and “— *Changes in Accounting Policies*.”

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our total operating expenses would have increased by Rp.8,188 billion (or 3.3%) to Rp.254,450 billion in 2016 from Rp.246,262 billion (non-GAAP) in 2015. This increase was primarily due to increases in expenses from purchased electricity, depreciation and maintenance, partially offset by a decrease in fuel and lubricants expenses, and leases, as described below.

Fuel and lubricants

Our fuel and lubricants expenses decreased by Rp.28,916 billion (or 20.9%) to Rp.109,492 billion in 2016, from Rp.138,408 billion in 2015. This decrease was primarily due to recognition of significantly higher fuel and lubricants expenses in 2015 due to the application of ISFAS 8 to our IPP Power Supply Contracts which contained a lease. Pursuant to ISFAS 8, fuel and lubricants expenses include fuel and lubricants expenses in respect of our IPP Power Supply Contracts since our IPP Power Supply Contracts provide for the reimbursement of these expenses by us.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our fuel and lubricants expenses would have decreased by Rp.11,095 billion (or 9.2%) to Rp.109,492 billion in 2016 from Rp.120,587 billion (non-GAAP) in 2015. This decrease was primarily due to decreases in solar high-speed diesel oil expenses and coal expenses in 2016, partially offset by an increase in natural gas expenses.

The decrease in solar high-speed diesel oil in 2016 was primarily due to a decrease in the international market average selling prices of fuel oils to Rp.5,154.4 per liter in 2016 compared to Rp.6,568.5 per liter in 2015. In addition, we successfully implemented our strategy of reducing the use of oil fuels by using cheaper alternatives, which resulted in a reduced use of oil fuels in 2015. The ratio of oil fuels used in electricity generation also decreased in 2016. These positive factors also benefited from the appreciation of the Rupiah against the U.S. dollar in 2016.

The increase in natural gas expenses in 2016 was primarily due to increased volume of natural gas used in our power plants.

Our coal expenses decreased in 2016, primarily as a result of a decrease in average purchased prices of coal to Rp.611.2 per kg in 2016 compared to Rp.662.5 per kg in 2015.

Purchased electricity

Our purchased electricity increased by Rp.55,308 billion (or 1,251.0%) to Rp.59,729 billion in 2016, from Rp.4,421 billion in 2015. This increase was primarily due to recognition of significantly lower purchased electricity expenses in 2015 due to the application of ISFAS 8 to our IPP Power Supply Contracts which contained a lease.

Had ISFAS 8 not been applied in 2015, our purchased electricity expenses would have increased by Rp.8,038 billion (or 15.5%) to Rp.59,729 billion in 2016 from Rp.51,691 billion (non-GAAP) in 2015. This increase resulted from our purchase of excess electricity generated by certain IPPs as contractually required pursuant to applicable PPAs; the aggregate amount of excess electricity we purchased pursuant to these agreements increased in 2016, compared to 2015.

Lease

Our lease expense decreased by Rp.1,521 billion (or 18.9%) to Rp.6,545 billion in 2016, from Rp.8,066 billion in 2015. This decrease was primarily due to fewer rentals of generator units and recognition of higher lease expenses in 2015 due to the application of ISFAS 8 to our IPP Power Supply Contracts which contained a lease.

Had ISFAS 8 not been applied in 2015, our lease expenses would have decreased by Rp.1,016 billion (or 13.4%) to Rp.6,545 billion in 2016 from Rp.7,561 billion (non-GAAP) in 2015. This decrease was primarily due to fewer rentals of generator units and reflected our management's policy to reduce this type of lease expenses.

Maintenance

Our maintenance expenses decreased by Rp.634 billion (or 2.9%), to Rp.21,227 billion in 2016, from Rp.21,861 billion in 2015. This decrease was primarily due to recognition of higher maintenance expenses in 2015 due to the application of ISFAS 8 to our IPP Power Supply Contracts which contained a lease.

Had ISFAS 8 not been applied in 2015, our maintenance expenses would have increased by Rp.3,634 billion (or 20.7%) to Rp.21,227 billion in 2016 from Rp.17,593 billion (non-GAAP) in 2015. This increase primarily resulted from the maintenance of additional fixed assets acquired in connection with more numerous customers and an expanded network infrastructure, and higher general costs.

Personnel

Our personnel expenses increased by Rp.2,339 billion (or 11.5%) to Rp.22,660 billion in 2016, from Rp.20,321 billion in 2015. This increase was primarily due to higher salaries, bonuses, incentive payments and allowances in particular due to an increase in headcount in connection with the implementation of the 35,000 MW Program. Our personnel expenses were not impacted by the application in 2015 of ISFAS 8 to our PPAs and ESCs with IPPs which contained a lease.

Depreciation

Our depreciation expenses increased by Rp.2,105 billion (or 8.3%) to Rp.27,512 billion in 2016, from Rp.25,407 billion in 2015. This increase was primarily due to incremental depreciation expenses related to an increase in the value of the fixed assets arising from the asset revaluation exercise carried out at the end of 2015 and additions of fixed assets acquired in 2016 which were partially offset by the cessation of applying ISFAS 8 to our IPP Power Supply Contracts in 2016 since pursuant to Regulation 6, our depreciation expenses included depreciation expenses relating to certain of our IPP Power Supply Contracts which were not recorded as depreciation expenses in 2016.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our depreciation expenses would have increased by Rp.6,093 billion (or 28.4%) to Rp.27,512 billion in 2016 from Rp.21,419 billion (non-GAAP) in 2015. This increase primarily resulted from incremental depreciation expenses related to an increase in the value of the fixed assets as a result of assets revaluation carried out at the end of 2015 and addition of the fixed assets acquired in 2016, in particular PLTU Tanjung awar-awar and PLTU Adipala.

Others

Other operating expenses increased by Rp.194 billion (or 2.7%) to Rp.7,284 billion in 2016, from Rp.7,090 billion in 2015. This increase was primarily due to increased travel expenses, meter reading expenses, electricity, gas, electricity and water consumption, postage, billing collection, customer maintenance and information technology expenses. Our other operating expenses were not impacted by the application in 2015 of ISFAS 8 to our IPP Power Supply Contracts.

Government's Electricity Subsidy

In 2016, we recognized Rp.58,043 billion as revenue from Government electricity subsidies, an increase of Rp.1,491 billion (or 2.6%) from Rp.56,553 billion recognized as revenue in 2015. This increase was primarily due to an increase in the volume of electricity sold for subsidized customers in 2016 and an increase in the difference between electricity tariff and cost of supply for subsidized customers (a difference that the Government seek to compensate).

Operating Income

As a result of the foregoing and primarily due to the change in accounting policy relating to the cessation of the application of ISFAS 8 to our IPP Power Supply Contracts in 2016, our operating income decreased by Rp.21,910 billion (or 45.3%) to Rp.26,415 billion in 2016, from Rp.48,325 billion in 2015.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our operating income would have increased by Rp.1,177 billion (or 4.3%) to Rp.28,814 billion in 2016 from Rp.27,637 billion (non-GAAP) in 2015.

Financial income

Our financial income decreased by Rp.48 billion (or 7.7%) to Rp.579 billion in 2016, from Rp.627 billion in 2015, primarily due to a decrease in average balance of cash and cash equivalent and a decrease in interest rate of U.S. dollar time deposits which were partially offset by an increase in interest rate of Rupiah time deposits.

Financial cost

Our financial cost decreased by Rp.21,274 billion (or 53.2%) to Rp.18,703 billion in 2016, from Rp.39,977 billion in 2015. This decrease primarily reflected higher financial costs in 2015 due to the application of ISFAS 8 to our IPP Power Supply Contracts in 2015. Application of ISFAS 8 caused us to recognize related interest payments from lease obligations arising from our IPP Power Supply Contracts which contains a lease as financial costs.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our financial cost would have increased by Rp.1,167 billion (or 6.7%) to Rp.18,703 billion in 2016 from Rp.17,536 billion (non-GAAP) in 2015. This increase was primarily due to increased interest payments on bank loans reflecting increased loan balances (for financing our capital expenditures).

Other income — net

Our other net income decreased by Rp.1,345 billion (or 55.2%) to Rp.1,092 billion in 2016, from Rp.2,437 billion in 2015. This decrease was primarily due to adjustments to the book value of certain operating assets due to a change in technology and related obsolescence and a decrease in the equity in net income in associates and joint ventures. Our other income was not impacted by the application in 2015 of ISFAS 8.

Gain/(loss) on foreign exchange — net

We recognized a gain on foreign exchange of Rp.4,195 billion in 2016, as compared to a loss of Rp.27,326 billion in 2015. This gain in 2016 was primarily due to the appreciation of the Rupiah against the U.S. dollar and Euro, which was partially offset by the depreciation of Rupiah against the Japanese Yen in 2016.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our foreign exchange loss would have been Rp.16,230 million (non-GAAP) in 2015. The higher foreign exchange loss recorded in 2015 after application of ISFAS 8 primarily reflected foreign exchange losses on the portion of lease obligations we had entered IPP Power Supply Contracts which are considered finance leases pursuant to ISFAS 8 and denominated in currency other than Rupiah.

Income/(loss) before tax

As a result of the foregoing, our income before tax was Rp.13,578 billion in 2016, as compared to a loss before tax of Rp.15,913 billion in 2015.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our loss before tax would have been Rp.3,064 billion (non-GAAP) in 2015 compared to income before tax of Rp.15,976 billion in 2016.

Tax expense

We recognized a tax expense of Rp.5,428 billion in 2016, as compared to a tax benefit of Rp.21,940 billion in 2015. The tax expense in 2016 primarily resulted from a significant decrease in deferred tax benefit in 2016 which was primarily due to deferred tax expenses incurred of Rp5,164 billion for 2016 compared to deferred tax benefit of Rp.23,297 billion for 2015. The deferred tax expense for 2016 primarily reflected the effect of the increase in value of fixed assets following the revaluation exercise carried out at the end of 2015.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our tax benefit would have been Rp.18,649 billion (non-GAAP) in 2015. This lower tax benefit in 2015 reflects the exclusion of tax benefits related to deferred taxes in connection with the exclusion of purchases of electricity under our IPP Power Supply Contracts in 2015 which would be recorded as tax benefit pursuant to ISFAS 8.

Income for the year

As a result of the foregoing, our income for the year increased by Rp.2,124 billion (or 35.2%) to Rp.8,150 billion in 2016, from Rp.6,027 billion in 2015.

Had ISFAS 8 not been applied to our IPP Power Supply Contracts in 2015, our income for the year would have decreased by Rp.5,036 billion (or 32.3%) to Rp.10,549 billion in 2016 from Rp.15,585 billion (non-GAAP) in 2015.

Liquidity and Capital Resources

We fund our short-term working capital requirements through cash flow from operating activities, government subsidies, working capital facilities and short-term borrowings such as a revolving credit facility. As of December 31, 2015, 2016 and 2017, we had cash and cash equivalents of Rp.23,596 billion, and Rp.41,909 billion, and Rp.42,292 billion, respectively.

We believe that cash generated from our operating activities and government subsidies will be sufficient to finance our working capital needs for the next 12 months.

Cash Flows

The following table sets forth a condensed summary of our consolidated statements of cash flows for the financial years indicated therein:

	Year ended December 31,			
	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$ ⁽²⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Net cash provided by operating activities.....	37,289	29,588	56,844	4,196
Net cash used in investing activities	(38,297)	(54,800)	(87,108)	(6,430)
Net cash provided from/(used in) financing activities	(2,870)	43,595	30,610	2,259
Net increase/(decrease) in cash and cash equivalents	(3,878)	18,383	345	26
Effect of foreign exchange differences from cash and cash equivalents.....	363	(70)	38	3
Cash and cash equivalents at beginning of year	<u>27,112</u>	<u>23,596</u>	<u>41,909</u>	<u>3,093</u>
Cash and cash equivalents at end of year	<u>23,596</u>	<u>41,909</u>	<u>42,292</u>	<u>3,122</u>

Notes:

- (1) Our audited consolidated statements of cash flows for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of cash flows for 2015 due to a change in accounting policy. In 2016, we ceased applying ISFAS 8, in accordance with SFAS 30, to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 and IFAS whereas we applied ISFAS 8 to our IPP Power Supply Contracts in 2014 and 2015. See "*— Restatement of Prior Years' Consolidated Financial Statements*" and "*— Changes in Accounting Policies.*" This change in accounting policy more specifically impacted the following line-items in our audited consolidated statements of cash flows for 2016: (i) cash paid to suppliers, (ii) interest expense paid, (iii) payments of electricity purchase payable, and (iv) payments of lease liabilities. As a result, amounts of net cash provided by operating activities and net cash used in financing activities are not directly comparable in the above table. See "*— Restatement of Prior Years' Consolidated Financial Statements*" and Note 56 to our consolidated financial statements as of and for the year ended December 31, 2016 included elsewhere in this Offering Memorandum for further details on the impact of ISFAS 8 on our audited consolidated statements of cash flows.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "*Exchange Rates*" for further information about exchange rates and recent fluctuations in exchange rates.

Net cash provided by operating activities, including Government electricity subsidy, has been our primary source of liquidity from January 1, 2015 to December 31, 2017. Our main uses of funds have been to pay for our working capital requirements and to pay for capital expenditures related to establishing additional electricity generating plants and developing our transmission and distribution network. Our cash expenditures include the expenses from general and administrative expenses, servicing and repayment of loans from foreign quasi-governmental institutions, Rupiah-denominated bonds and two-step loans. As of the date of this Offering Memorandum, our internally generated cash flow, subsidies and borrowings under our loan facilities and corporate bonds are sufficient to fund our operations and meet our working capital requirements.

We re-evaluate our capital requirements regularly in light of our cash flow from operations, Government subsidies, the progress of our expansion plans and market conditions. To the extent that we do not generate sufficient cash flow from our operations, and depending on market conditions, we may have to rely on other financing activities and obtain additional debt or equity financing.

Cash Flows from Operating Activities

Our audited consolidated statements of cash flows for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of cash flows for 2015 because we ceased applying ISFAS 8 to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 in 2016 whereas we applied ISFAS 8 to our IPP Power Supply Contracts in 2015. See "— Changes in Accounting Policies.*" This change in accounting policy directly impacted our cash paid to suppliers and interest expense paid accounts. As a result, amounts of net cash provided by operating activities in 2016 and 2017 are not directly comparable with amounts of net cash provided by operating activities in 2015 in the below discussion. See "*— Restatement of Prior Years' Consolidated Financial Statements*" and Note 56 to our consolidated financial statements as of and for the year ended December 31, 2016 for further details on the impact of ISFAS 8 on our audited consolidated statements of cash flows.*

Our net cash provided by operating activities in 2017 was Rp.56,844 billion and primarily resulted from cash receipts from customers of Rp.257,337 billion in connection with our sale of electricity and the Government's electricity subsidy of Rp.50,595 billion. These cash inflows were partially offset by payments to suppliers of Rp.207,558 billion, payments of salaries to employees of Rp.21,207 billion, interest expense paid of Rp.17,894 billion relating to our outstanding debt, and income tax in the amount of Rp.6,219 billion.

Our net cash provided by operating activities in 2016 was Rp.29,588 billion and primarily resulted from cash receipts from customers of Rp.220,970 billion in connection with our sale of electricity and the Government's electricity subsidy of Rp.49,568 billion. These cash inflows were partially offset by payments to suppliers of Rp.200,943 billion, payments of salaries to employees of Rp.20,371 billion, interest expense paid of Rp.18,286 billion relating to our outstanding debt, and income tax in the amount of Rp.1,928 billion.

Our net cash provided by operating activities in 2015 was Rp.37,289 billion and primarily resulted from cash receipts from customers of Rp.219,257 billion in connection with our sale of electricity, the Government's electricity subsidy of Rp.55,332 billion, and income tax restitution of Rp.2,258 billion related to overpayments of tax in 2013 and 2009. These cash inflows were partially offset by payments to suppliers of Rp.178,050 billion, payments of salaries to employees of Rp.17,326 billion, interest expense paid of Rp.37,709 billion relating to our outstanding debt, and income tax in the amount of Rp.3,790 billion.

Cash Flows Used in Investing Activities

Our net cash used in investing activities in 2017 was Rp.87,108 billion and primarily resulted from the acquisition of property, plant and equipment of Rp.85,211 billion in connection with projects pursuant to our Fast Track Programs (such as our Sarulla geothermal power plant in North Sumatra, Bangkanai gas engine power plant in Central Kalimantan and Punagaya steam turbine power plant in South Sulawesi and various transmission lines) and the investments in associates and joint ventures of Rp.2,017 billion. As a part of our business strategy to increase our overall capacity, we established several joint ventures with IPPs, such as PT Rekind Daya Mamuju, PT Indoraya Tenaga, PT Shenhua Guohua Pembangkit Jawa Bali, PT GCL Indotenaga and PT North Sumatera Hydro Energy in 2017. These joint ventures have been formed for the development of power plant projects with various IPPs. These cash outflows were partially offset by the withdrawal from placement of restricted cash with banks and time deposits of Rp.245 billion in short-term investments, and dividends received from associates and joint ventures of Rp.242 billion.

Our net cash used in investing activities in 2016 was Rp.54,800 billion and primarily resulted from the acquisition of property, plant and equipment of Rp.55,801 billion in connection with projects pursuant to our Fast Track Programs (such as our Adipala power plant ("PLTU 2 Adipala") in Central Java, Tanjung Awar-awar power plant in East Java ("PLTU 3 Tanjung Awar-awar") and Balikpapan power plant in East Kalimantan, and various transmission lines) and the acquisition of investments in associates and joint ventures of Rp.382 billion. As a part of our business strategy to increase our overall capacity, we established several joint ventures with IPPs, such as PT Shenhua Guohua Pembangkit Jawa Bali, PT GCL Indotenaga and PT Guohua Taidian Pembangkit Jawa Bali in 2016. These joint ventures have been formed for the development of power plant projects with various IPPs. These cash outflows were partially offset by the withdrawal from placement of restricted cash with banks and time deposits of Rp.1,369 billion in short-term investments, and dividends received from associates and joint ventures of Rp.208 billion.

Our net cash used in investing activities in 2015 was Rp.38,297 billion and primarily resulted from the acquisition of property, plant and equipment of Rp.36,365 billion in connection with projects pursuant to our Fast Track Programs (such as PLTU 2 Adipala in Central Java, PLTU 3 Tanjung Awar-awar in East Java and Teluk Balikpapan power plant in East Kalimantan, and various transmission lines), and the placement of Rp.2,133 billion in restricted cash in banks and time deposits in relation to lease instalments and gas purchases. These cash outflows were partially offset by dividends received from associates and joint ventures of Rp.161 billion.

Cash Flows Provided from/ (used in) Financing Activities

Our audited consolidated statements of cash flows for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of cash flows for 2015 because we ceased applying ISFAS 8 to our IPP Power Supply Contracts in accordance with OJK's Regulation No. 6 in 2016 whereas we applied ISFAS 8 to our IPP Power Supply Contracts in 2015. See “— Changes in Accounting Policies.” This change in accounting policy directly impacted our payments of electricity purchase payable and payments of lease liabilities accounts. As a result, amounts of net cash used in financing activities in 2016 and 2017 are not directly comparable with amounts of net cash used in financing activities in 2015 in the below discussion. See “— Restatement of Prior Years' Consolidated Financial Statements” and Note 56 to our consolidated financial statements as of and for the year ended December 31, 2016 for further details on the impact of ISFAS 8 on our audited consolidated statements of cash flows.

Our net cash provided from financing activities in 2017 was Rp.30,610 billion and primarily resulted from proceeds from drawdowns under existing credit facilities of Rp.65,971 billion, proceeds from a bond issuance of Rp.31,836 billion and proceeds from KIK — EBA (asset backed-securities) of Rp.3,688 billion in aggregate, principally to finance our working capital needs and 1capital expenditures. This cash inflow was partially offset by repayments of bank loans of Rp.50,701 billion, repayments of debt securities of Rp.9,659 billion, payments of lease liabilities of Rp.4,429 billion, payment of dividends of Rp.2,153 billion and payments of two-step loans of Rp.2,589 billion.

Our net cash provided from financing activities in 2016 was Rp.43,595 billion and primarily resulted from proceeds from drawdowns under existing credit facilities of Rp.70,842 billion in aggregate, principally to finance our working capital needs and capital expenditures, and proceeds from the Government for stock subscription of Rp.23,560 billion. This cash inflow was partially offset by repayments of bank loans of Rp.32,630 billion, repayments of debt securities of Rp.9,122 billion, payments of lease liabilities of Rp.3,706 billion, payment of dividends of Rp.2,139 billion, and payment of two-step loans of Rp.2,594 billion.

Our net cash used in financing activities in 2015 was Rp.2,870 billion and primarily resulted from repayments from bank loans of Rp.38,033 billion, payments of lease liabilities of Rp.5,190 billion, payment of cash dividends of Rp.3,962 billion, and repayments of two-step loans of Rp.2,819 billion. These cash outflows were partially offset by the incurrence of new bank loans of Rp.43,526 billion under existing and new credit facilities and proceeds from stock subscription from government of Rp.5,000 billion.

Indebtedness

Our indebtedness comprises two-step loans, loans from the Government and non-bank Government financial institution loans, bank loans, and debt securities outstanding (denominated in Rupiah or foreign currencies), including medium-term notes.

Our total borrowings (including two-step loans, Government loans, bonds payable, bank loans and medium term notes, certain lease liabilities and electricity purchase payable) were Rp.382,730 billion, Rp.274,513 billion, and Rp.316,995 billion as of December 31, 2015, 2016 and 2017, respectively.

As of December 31, 2017 we have entered into new loan agreements in connection with the projects for the 35,000 MW Program, namely, the Muara Karang CCPP project (in principal amounts of up to 15,449,450,242 JPY and U.S.\$37,230,000), the Jatigede Hydroelectric Power Plant project (in the principal amount of up to U.S.\$73,324,250), the substations project (in the principal amount of U.S.\$330,000,000), the Batam Mobile Power Plant — additional loan (in principal amounts of up to U.S.\$14,111,753), the Lombok GECC Peaker Project (in principal amounts of up to EUR74,282,743), the Kalselteng CFSPP Project (in principal amounts of up to 16,939,168,688 JPY and U.S.\$89,123,378), the Bangkanai II Peaker GEPP (in principal amounts of up to EUR82,699,200.20);

the Muara Tawar Add-on CCPP (in principal amounts of up to U.S.\$600,000,000), the RBL-SNT ADB (in principal amounts of up to U.S.\$280,000,000) and Kumbih (in principal amounts of up to EUR85,000,000). As at the date hereof, we have drawn U.S.\$174,435,633.09 under these long-term unsecured bank loans.

Long-term borrowings were Rp.351,987 billion, Rp.230,827 billion and Rp.279,898 billion as of December 31, 2015, 2016 and 2017, respectively, while the average interest rate of our outstanding bonds was 9.4%, 9.4% and 5.3%, respectively. The average interest rate of our two-step loans was 2.1%, 2.5% and 2.5% as of December 31, 2015, 2016 and 2017, respectively.

As of December 31, 2017, we had aggregate outstanding long-term debt of Rp.279,898 billion. As of December 31, 2017, the long-term portion of the two-step loans was Rp.31,485 billion, the long-term portion of the bank loans was Rp.116,017 billion, the long-term portion of our outstanding Rupiah and U.S. dollar-denominated bonds was Rp.100,440 billion and the long-term portion of our lease liability was Rp15,713 billion.

As of December 31, 2015, 2016 and 2017, we had outstanding bonds payable and sukuk ijara of Rp.89,165 billion, Rp.78,393 billion and Rp.101,354 billion, respectively.

As of December 31, 2017, the total of our unused credit facilities was Rp.66,021 billion in aggregate.

The following table shows the amount of our total consolidated short-term loans, long-term bank loans (including current portion), two-step loans, Government and non-bank Government financial institution loans, bonds, electricity purchase payable and certain lease liabilities outstanding as of December 31, 2015, 2016 and 2017:

	Year ended December 31,			
	2015	2016	2017	
	Rp.	Rp.	Rp.	U.S.\$ ⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Short-term loans	16,486	14,730	7,810	577
Including current portion of long-term bank loans....	11,752	26,395	26,549	1,960
Including current portion of two-step loans	2,505	2,562	2,736	202
Long-term bank loans (excluding current portion)....	77,829	100,362	116,017	8,563
Two-step loans (excluding current portion)	29,205	29,134	31,485	2,324
Government and non-bank Government financial institution loans (excluding current portion)	8,195	7,258	6,309	466
Bonds payable and sukuk ijara (excluding current portion)	80,043	68,825	100,440	7,414
Lease liabilities (excluding current portion)	149,622	17,933	15,713	1,160
Electricity purchase payable (excluding current portion)	7,093	7,315	7,026	519
KIK-EBA	—	—	2,908	215
Total debt	<u>382,730</u>	<u>274,514</u>	<u>316,995</u>	<u>23,398</u>

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

The following table sets forth a summary of the maturity profile for our outstanding borrowings (including lease liabilities, electricity purchase payable, two-step loans, Government loans, bonds payable, bank loans and medium term notes) as of December 31, 2017:

	As of December 31, 2017	
	Rp.	U.S.\$⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>	
Payments due by period		
Repayment due in less than one year.....	37,095	2,738
Repayment due in one to three years.....	76,309	5,632
Repayment due in three to five years.....	67,397	4,975
Repayment due after five years.....	136,194	10,053
Total	<u>316,995</u>	<u>23,398</u>

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See "Exchange Rates" for further information about exchange rates and recent fluctuations in exchange rates.

Two-step Loans

Two-step loans are unsecured Government-channelled financings obtained from a number of overseas banks or financial institutions such as the International Bank for Reconstruction and Development, the Asian Development Bank, the Japan Bank for International Cooperation or China Exim Bank which we use for financing our projects. The Government channels two-step loans to us but continues to remain the primary obligor to our lenders. As at December 31, 2017, we had two-step loans outstanding representing an aggregate outstanding principal amount of Rp.34,221 billion. These loans are primarily denominated in Japanese Yen, U.S. Dollar and Euro. Their maturities range from 10 to 40 years. Interest rates payable on our two-step loans are either fixed or variable.

The table below shows details of our main two-step loans as of December 31, 2017:

	As of December 31, 2017			
	In foreign currencies⁽¹⁾	Amount	Interest rate per annum	Period⁽²⁾
	<i>(Rp. millions, except otherwise stated)</i>		<i>(%)</i>	
International Bank for Reconstruction and Development (IBRD)				
U.S.\$				
IBRD — 4712 and 7758 IND — 1165	48,280,898	654,110	LIBOR Total Spread + 0.35% p.a.	2004-2023
IBRD — 7940 IND — 1238	129,504,864	1,754,532	LIBOR + variable spread + 0.45% p.a.	2011-2034
Asian Development Bank (ADB)				
U.S.\$				
ADB — 1982 INO — 1170.....	117,148,496	1,587,128	LIBOR + 0.35% p.a.	2004-2027

As of December 31, 2017

	In foreign currencies ⁽¹⁾	Amount	Interest rate per annum	Period ⁽²⁾
	<i>(Rp. millions, except otherwise stated)</i>		<i>(%)</i>	
ADB — 1983 INO — 1171.....	79,569,625	1,078,009	LIBOR + 0.35% p.a.	2004-2027
Japan Bank for International Cooperation/Japan International Cooperation Agency (The Export-Import Bank of Japan)				
JPY				
JBIC IP 512 — 1163	42,263,808,000	5,080,887	1.8% + 0.35% p.a.	2004-2033
JBIC IP 513 — 1164	12,898,784,000	1,550,671	1.8% + 0.35% p.a.	2004-2033
JBIC IP 515 — 1177	45,553,398,000	5,476,356	1.3% + 0.35% p.a.	2004-2034
JBIC IP 525 — 1197	14,488,100,000	1,741,736	0.75% + 0.35% p.a.	2005-2045
JBIC IP 527 — 1211	9,677,262,639	1,163,385	1.75% p.a.	2007-2037
JBIC IP 538 — 1221	15,282,898,960	1,837,286	1.2% p.a.	2009-2047
JBIC IP 539 — 1222	9,556,794,000	1,148,902	1.95% p.a.	2009-2037
China Exim Bank				
U.S.\$				
China Exim Bank 1248.....	90,368,570	1,224,313	3% + 0.35% p.a.	2013-2027
China Exim Bank 1260.....	154,388,984	2,091,662	3% + 0.35% p.a.	2015-2029
China Exim Bank 1261.....	108,237,447	1,466,401	3% + 0.35% p.a.	2015-2029

Notes:

(1) Maximum facility amount.

(2) Include grace periods.

For further details on, and a complete list of, our outstanding two-step loans, see Note 23 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Loans from the Government and Non-bank Government Financial Institutions

As at December 31, 2017, amounts outstanding under loans from the Government (Rp.818 billion) and PT Sarana Multi Infrastruktur (Rp.6,535 billion) represented Rp.7,353 billion in aggregate. Both loans are unsecured. The loan from the Government bears interest at 4.0% per annum and will mature in 2021. The loan from Sarana Multi Infrastruktur bears interest at 5.25% and will mature in 2026. For further details on these loans, see Note 24 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Bank Loans

As of December 31, 2017, we had access to unsecured long-term credit facilities (including syndicated loans) of up to Rp.93,976 billion (including a portion denominated in U.S. dollar of up to U.S.\$3.9 million) in aggregate from domestic and international banks such as Bank of China Limited, The Export-Import Bank of China, Bank Negara Indonesia, China Development Bank, Bank DKI, Bank

Rakyat Indonesia, Bank Mandiri, Bank Mega, Bank Bukopin and Bank Central Asia to finance 85% of the value of our engineering procurement and construction contracts entered into in connection with projects comprises within our Fast Track Programs. Loans under these credit facilities are guaranteed by the Government, bear variable rates and have maturities ranging from April 2018 to December 2025. As of December 31, 2017, the aggregate unused amount available under these credit facilities was Rp.741 billion.

The table below shows details of our main bank loan facilities obtained in connection with our Fast Track Programs as of December 31, 2017:

As of December 31, 2017				
In foreign currencies ⁽¹⁾	Amount	Interest rate per annum		Maturity
<i>(Rp. millions, except as otherwise stated)</i>				
			(%)	
Bank of China Limited (syndicated loan) (U.S.\$)	592	—	0.785% + LIBOR	May 2021
			6 months	
The Export-Import Bank of China (U.S.\$)	331	—	0.84% + LIBOR	January 2023
			6 months	
Bank DKI	—	4,732,000	1% + JIBOR	April 2019
			3 months	
Bank Negara Indonesia (syndicated loan).....	—	2,741,298	0.825% + JIBOR	July 2018
			3 months	
The Export-Import Bank of China (U.S.\$)	284	—	0.84% + LIBOR	January 2023
			6 months	
Barclays Bank PLC and China Development Bank (U.S.\$)	262	—	3.25% + LIBOR	December 2021
			6 months	
Bank Rakyat Indonesia (syndicated loan).....	—	2,074,739	1% + JIBOR	January 2019
			3 months	
Bank Mandiri (syndicated loan).....	—	1,911,480	1.11% + JIBOR	April 2018
			3 months	
Bank Mega	—	1,874,315	1.10% + JIBOR	July 2018
			6 months	
Bank Bukopin	—	1,606,612	0.71% + JIBOR	July 2021
			6 months	
Bank Mega	—	1,498,513	1.10% + JIBOR	July 2018
			6 months	
Bank Negara Indonesia (syndicated loan).....	—	1,272,913	1.10% + JIBOR	February 2018
			3 months	
Bank Mega	—	1,240,661	1.10% + JIBOR	July 2018
			6 months	
Bank Central Asia (syndicated loan)...	—	1,077,578	1.12% + JIBOR	April 2018
			3 months	
Bank Rakyat Indonesia (syndicated loan).....	—	1,151,005	1% + JIBOR	January 2019
			3 months	
Bank Bukopin	—	1,045,924	0.71% + JIBOR	July 2021
			6 months	
The Export-Import Bank of China (U.S.\$)	482	—	2.8% + LIBOR	February 2025
			6 months	

As of December 31, 2017

	In foreign currencies ⁽¹⁾		Interest rate per annum	Maturity
	Amount			
<i>(Rp. millions, except as otherwise stated)</i>				
			<i>(%)</i>	
The Export-Import Bank of China (U.S.\$)	124	—	2.8% + LIBOR 6 months	January 2025
Bank of China Limited (U.S.\$)	455	—	2.30% + LIBOR 6 months	May 2022
Bank Negara Indonesia (syndicated loan).....	—	1,155,352	1% + JIBOR 3 months	January 2019
The Export-Import Bank of China (U.S.\$)	293	—	2.8% + LIBOR 6 months	July 2025
Bank Rakyat Indonesia (syndicated loan).....	—	3,941,772	1.5% + JIBOR 3 months	October 2019
Bank Mandiri (syndicated loan)	—	2,613,012	1.5% + JIBOR 3 months	December 2019
China Development Bank (U.S.\$)	625	—	3.85% + LIBOR 6 months	October 2022
China Development Bank (U.S.\$)	138	—	3.85% + LIBOR 6 months	October 2022
Bank of China (U.S.\$)	372	—	2.30% + LIBOR 6 months	December 2022
Bank Negara Indonesia (syndicated loan).....	—	1,930,063	1.50% + JIBOR 3 months	December 2019
Bank Central Asia (syndicated loan)...	—	1,080,598	1.50% + JIBOR 3 months	December 2019
Bank Rakyat Indonesia (syndicated loan).....	—	1,067,684	1.05% + JIBOR 3 months	December 2019
Bank DKI (syndicated loan)	—	2,225,000	1.50% + JIBOR 3 months	November 2025
Bank Negara Indonesia (syndicated loan).....	—	2,449,963	1.20% + JIBOR 3 months	December 2025

Note:

(1) Maximum facility amount.

In addition, we also have access to credit facilities in the form of long-term corporate loans and working capital loans which are unrelated to the funding of our Fast Track Programs projects. As of December 31, 2017, we had access to unsecured long-term (except for one credit revolving facility) credit facilities (including syndicated loans) of up to Rp.59,681 billion in aggregate (including portions of this aggregate amount denominated in Japanese Yen, Euro and U.S. dollar) from domestic and international banks such as Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia, Bank Central Asia, Standard Chartered Bank, Asian Development Bank, EDC, HEXIM, Japan Bank of International Cooperation, The Bank of Tokyo Mitsubishi-UFJ, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Australia and New Zealand Banking Group Limited, KfW-IPEX and Credit Agricole — CIB. These loans bear fixed or variable rates and have maturities ranging from June 2018 to October 2037. As of December 31, 2017, the aggregate unused amount available under these credit facilities was Rp.50,978 billion.

The table below shows details of the bank loans described above as at December 31, 2017:

As of December 31, 2017				
In foreign currencies ⁽¹⁾	Amount	Interest rate per annum		Maturity
<i>(Rp. millions, except otherwise stated)</i>				
<i>(%)</i>				
Bank Mandiri				
Syndicated investment credit facility (2011).....	—	7,000,000	Weighted average of the three months Rupiah time deposit of syndicated creditors + 3.42%	October 2021
Syndicated investment credit facility (2016)	—	12,000,000	1.92% + JIBOR 3 months	December 2026
Bank Rakyat Indonesia				
Working capital loan (2011)	—	28,000,000	Average of the three months Rupiah time deposit of syndicated creditors + 2.45%	June 2018
Investment credit facility (2012).....	—	8,500,000	Average of three months time deposit + 3.2%	November 2022
Investment credit facility (2014).....	—	2,000,000	Bank Rakyat Indonesia's average three months time deposit + 2.75%	December 2024
Syndicated investment credit facility (2015)	—	12,000,000	Bank Indonesia's rate + 2.3%	December 2025
Bank Negara Indonesia				
Syndicated investment credit facility (2014)	—	6,500,000	Weighted average of three months time deposit + 3%	December 2024
Syndicated investment credit facility (2016)	—	12,000,000	Weighted average of three months time deposit + 2.6%	September 2026
Bank Central Asia				
Syndicated investment credit facility (2013)	—	7,000,000	2.4% + JIBOR 3 months	December 2023
Bank Maybank Indonesia				
Syndicated investment credit facility (2017)	—	4,300,000	2.6% + JIBOR 6 months	November 2027
Standard Chartered Bank EURO				
Export credit facility (2013).....	90	—	2.1%	September 2027
Export credit facility (2013).....	71	—	2.1%	September 2027
Agence Francaise De Development EURO				
Credit facility (2015).....	100	—	Floating/fix maximum 5.89%	May 2030
Kreditanstalt fur Wiederaufbau EURO				
Credit facility (2015).....	60	—	1.70%	May 2030

As of December 31, 2017

	In foreign currencies ⁽¹⁾	Amount	Interest rate per	
			annum	Maturity
<i>(Rp. millions, except otherwise stated)</i>				
<i>(%)</i>				
Asian Development Bank U.S.\$				
Credit facility (2015).....	575	—	LIBOR + 0.6% - 0.1%	September 2035
Credit facility (2015).....	25	—	LIBOR + 1.4%	September 2035
Credit facility (2017).....	600	—	LIBOR + 0.6% - 0.1%	May 2037
Export Development Canada and Hungarian Export-Import Bank Private Limited Company U.S.\$				
Credit facility (2016).....	436	—	2.56%	January 2029
Credit facility (2016).....	14	—	3.30%	January 2029
Japan Bank of International Cooperation U.S.\$				
Credit facility (2016).....	108	—	2.85% + 1.06%	October 2031
Credit facility (2016).....	72	—	1.1% + LIBOR 6 months	October 2031
Credit facility (2016).....	27	—	3.52%	April 2031
Credit facility (2016).....	18	—	0.7% + LIBOR 6 months	April 2031
Japan Bank of International Cooperation JPY				
Credit facility (2016).....	16,430	—	1.03% + 0.55%	October 2031
Credit facility (2016).....	31,763	—	1.58%	April 2031
International Bank for Reconstruction and Development U.S. \$				
Credit facility (2016).....	500	—	Reference rate + Var spread	March 2036
Sumitomo Mitsui Banking Corporation U.S.\$				
Credit facility (2017).....	73	—	1.43% + LIBOR -6 month	March 2031

Note:

(1) Maximum facility amount.

For further details on our outstanding bank loans, see Note 26 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Bonds

As of December 31, 2017, we had issued unsecured domestic Rupiah denominated debt securities whose aggregate outstanding principal was Rp.14,123 billion. These Rupiah denominated debt securities bear fixed interest rates ranging from 7.20% to 13.75% per annum with maturities ranging from January 2017 to November 2032. For further details on our outstanding domestic debt securities, see Note 27 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

As of December 31, 2017, we had issued U.S.\$1.5 billion 4.13% senior unsecured bonds due 2027 and U.S.\$500 million 5.25% senior unsecured bonds due 2047. We had also issued U.S.\$1.0 billion 5.25% senior unsecured bonds due 2042 and U.S.\$1.0 billion 5.50% senior unsecured bonds due 2021, each under our global medium term notes program, and guaranteed (i) U.S.\$1.25 billion senior unsecured bonds due 2020, (ii) U.S.\$750 million 8.00% senior unsecured bonds due 2019, and (iii) U.S.\$500 million 7.87% senior unsecured bonds due 2037, in each case issued by Majapahit Holding B.V. (a wholly-owned subsidiary).

Covenants

Under the terms of our loans and domestic and international bonds, we are required to comply with various restrictive financial and other covenants, including maintaining certain ratios such as a ratio of total financial liabilities to total assets, a ratio of EBITDA to interest expense, or fixed charge coverage ratios. These covenants include, but are not limited to:

- limitations on incurrence of indebtedness;
- limitations on payments of dividends;
- limitations on issuance of guarantees;
- limitations on merger, consolidation and asset sales;
- limitations on certain transactions with affiliates;
- limitations on liens, securities or pledges;
- limitations on substantial changes to the general nature of our business; and
- limitations on sale-leaseback transactions.

We are currently in compliance with all of these covenants. Changes in the economic environment in Indonesia, the demand for electricity, the level of electricity tariffs permitted, government subsidies, and increases in the price of fuel oil may decrease our cash flow, creating the possibility of a liquidity shortage and the inability to comply with certain covenants with respect to the bonds issued by us. If we are not able to comply with such covenants, we may have to apply for amendments to the financial covenants or seek waivers in any events of default, including cross defaults arising from the breach of the covenants. We cannot assure you that we will be able to obtain such amendments or waivers on satisfactory terms, or at all. If our debt obligations are accelerated, we will face significant liquidity constraints, and may be unable to satisfy all of our repayment obligations. Please note that our “EBITDA” and “Adjusted EBITDA” measures and other financial ratios discussed in this Offering Memorandum may not be comparable to similarly titled measures and ratios as defined under the covenants referred to in this section.

Capital Expenditures and Contractual Commitments

Capital Expenditures

In addition to the payment obligations under our indebtedness set forth above, we also have continuing obligations to make payments on capital expenditures and contractual commitments. For the years ended December 31, 2015, 2016 and 2017, our capital expenditures, which include cash and non-cash additions of property, plant and equipment and construction in progress were Rp.45,279 billion, Rp.59,448 billion and Rp.94,230 billion (U.S.\$6,955 million), respectively. See Notes 6 and 50 to the

Consolidated Financial Statements. The recent (and continued) increase in capital expenditures is due to the development of the 35,000 MW Program which involves the construction of power plants, transmissions, and distributions. The disbursement is aligned with the large-scale construction required and the progress of the projects. Other than the proceeds from the offering of Notes under this Program, we expect that cash generated from operations and bank credit facilities, including direct lending or two-step loans provided by multilateral and bilateral agencies, will continue to be our primary sources of liquidity.

The table below shows a breakdown of our capital expenditures for generation, transmission and distribution projects for the years indicated therein:

	Year ended December 31,			
	2015	2016	2017 ⁽¹⁾	
	<i>(Rp. billions)</i>		<i>(U.S.\$ millions)</i>	
Generation	20,480	21,549	35,187	2,597
Transmission	11,800	19,587	30,629	2,261
Distribution.....	12,998	18,312	28,414	2,097
Total	<u>45,279</u>	<u>59,448</u>	<u>94,230</u>	<u>6,955</u>

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

The table below sets forth our committed capital expenditures for 2018, pursuant to our Company’s capital investment program. The budgeted amounts may vary from the actual amounts of our Company’s capital expenditures for a variety of reasons, including the implementation of the Fast Track Program I, the Fast Track Program II, the 35,000 MW Program for Indonesia, changes in the number of facilities to be constructed and the timing of such construction, changes in rates of exchange between the Rupiah and foreign currencies, changes in interest rates and other factors. See “Risk Factors — Risks Relating to our Business and Operations — Our actual results may vary significantly from forecasts and estimates set forth herein.”

The table below shows a breakdown of our committed capital expenditures for generation, transmission and distribution projects for 2018, as at December 31, 2017:

	Year ended December 31,	
	2018 ⁽¹⁾	2018 ⁽²⁾
	<i>Committed</i> <i>(Rp. billions)</i>	<i>(in U.S.\$</i> <i>millions)</i>
Generation.....	52,141	3,849
Transmission	34,712	2,562
Distribution.....	30,058	2,219
Total	<u>116,911</u>	<u>8,629</u>

Notes:

- (1) Excluding interest during construction for Rp.4,591 billion and facilities for Rp.1,773 billion.
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Other Contractual Commitments

In addition to the payment obligations under our loans and bonds as described above (see “— *Indebtedness*”) and our capital expenditures as set out above, we have material commitments with a number of contractors, suppliers and IPPs, such as fuel supply agreements, PPAs and ESCs, and maintenance contracts. Under certain of these contracts and arrangements we are required to buy and pay for minimum purchase quantities of fuel or electrical power during fixed periods of time. A list of such agreements and corresponding commitments can be found at Note 54 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

As of December 31, 2017, we had entered into 52 gas supply agreements, and 214 PPAs and ESCs. Our agreements with IPPs comprised 61 material contracts with respect to electricity generating plants that have already commenced operations and 144 agreements with respect to electricity generating plants that are under development. See “— *Development of IPPs*”.

In connection with our Fast Track Programs, as of December 31, 2017, we had also signed 42 EPC contracts which consist of electricity power plants. Under the terms of such contracts, we were required to pay the contractor a down payment, which is approximately 15% of the contract price and the remaining 85% is funded through credit facilities from banks.

The following table sets forth the contractual maturities of our remaining financial liabilities with an agreed repayment period as of December 31, 2017:

	2017				Total	Total ⁽¹⁾
	Less than one year	More than one year but less than three years	More than three years but less than five years	More than five years		
						<i>(U.S.\$ in millions)</i>
						<i>(in Rp. billions)</i>
Two-step loans.....	2,736	4,367	4,297	22,821	34,221	2,526
Government and non-bank Government financial						
institution loans	1,044	2,088	1,500	2,722	7,353	543
Lease liability.....	4,872	7,560	6,220	1,933	20,585	1,519
Bank loan.....	26,549	30,627	34,437	50,953	142,566	10,523
Bonds payable and sukuk ijara..	914	29,349	18,743	52,348	101,354	7,481
Electricity purchase payable.....	350	761	849	5,417	7,376	544
KIK-EBA loans.....	631	1,556	1,352	—	3,539	261
Related parties payables.....	—	1	—	—	1	—
Trade payables.....	43,711	—	—	—	43,711	3,226
Customer’s security deposits.....	12,642	—	—	—	12,642	933
Project cost payable.....	724	—	—	—	724	53
Accrued expenses	11,477	—	—	—	11,477	847
Other payables.....	21,255	940	—	—	22,195	1,638
Total	<u>126,905</u>	<u>77,250</u>	<u>67,397</u>	<u>136,194</u>	<u>407,746</u>	<u>30,096</u>

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “*Exchange Rates*” for further information about exchange rates and recent fluctuations in exchange rates.

Included in the above table are certain finance lease liabilities arising from finance lease agreements in connection with a financial lease agreement relating to the acquisition of power plants. The following table shows outstanding payments obligations per period as indicated therein under these finance leases as at December 31, 2017:

	As of December 31, 2017	
	Rp.	U.S.\$⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>	
Minimum lease payments due by period		
No later than one year.....	6,941	512
Repayment due in two to five years	19,173	1,415
Repayment due after five years	2,694	199
Total minimum lease payments	<u>28,808</u>	<u>2,126</u>
Interest expense portion.....	8,223	607
Total minimum lease payments — net of interest expense portion	<u>20,585</u>	<u>1,519</u>

Note:

(1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

In March 1998, we deferred the settlement of the amounts of electricity purchase payable stated in our PPAs and ESCs. In 1999, we established a working group on special contract renegotiation under the Government’s direction in order to facilitate the renegotiation of the electricity prices previously agreed upon in our PPAs and ESCs. We have successfully renegotiated the electricity price with most of the IPPs.

As of December 31, 2017, our electricity purchase payables relating to this renegotiation were Rp.7,376 billion. Electricity purchase payables to PT Paiton Energy and PT Jawa Power bear an annual interest rate of 4.81% and 18.45%, respectively, and are payable in 360 monthly instalments until December 1, 2031. These electricity purchase payables are included in the above table showing contractual maturities of our remaining financial liabilities with an agreed repayment period.

The following table shows outstanding payments obligations per period as indicated therein as at December 31, 2017:

	As of December 31, 2017	
	Rp.	U.S.\$⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>	
Payments of electricity purchase payables due by period		
No later than one year.....	350	26
Repayment due in the second year.....	369	27
Repayment due in the third year.....	389	29
Repayment due in the fourth year.....	411	30
Repayment due after five years	5,857	432
Total minimum lease payments	<u>7,376</u>	<u>544</u>

Note:

(1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “Exchange Rates” for further information about exchange rates and recent fluctuations in exchange rates.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates, of financial instruments. We are exposed to various types of market risk, including changes in interest rates and foreign exchange rates, in the ordinary course of business.

We maintain our accounting records and prepare our consolidated financial statements in Indonesian Rupiah.

Exchange Rate Risk

The exchange rate risk is the risk that arises from changes in the exchange rate of the Rupiah, our presentation currency, against foreign currencies, especially the U.S. Dollar, the Japanese Yen and the Euro, leading to the risk that the fair value or future cash flows of a financial instrument will fluctuate. The primary foreign currency to which we are exposed is the U.S. dollar. The price we pay for electricity purchased from IPPs under the PPAs is pegged to the U.S. dollar. We have agreed with a number of IPPs, subject to certain restrictions, to purchase electricity at a fixed price (capacity charge) and to purchase the electricity dispatched at variable prices pegged to operating, maintenance and fuel costs (energy charge).

A significant portion of our debt is also denominated in foreign currencies. The following table sets forth certain information regarding our foreign currency debt exposure (equivalent in Rp.) for the years indicated therein:

	As of December 31,		
	2015	2016	2017
	<i>(Rp. billions, except percentages)</i>		
Total foreign currency denominated debt.....	310,340	165,141	193,038
Total foreign currency debt as percentage of total outstanding debt.....	81.1%	60.2%	60.9%

We seek to minimize our exposure to exchange rate risk by purchasing foreign currency denominated instruments such as forward currency contracts in compliance with applicable Bank of Indonesia regulations. See “*Offshore Borrowings.*”

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risks. Our exposure to market risk for changes in interest rates relates primarily to our long-term floating rate debt obligations. As of December 31, 2017, the amount of our outstanding debt totalled Rp.316,995 billion of which Rp.174,181 billion, equal to 54.9% of our outstanding debt for the year, effectively bore interest at fixed rates. The remaining Rp.142,813 billion equal to 45.1% of our outstanding debt as of December 31, 2017, bore interest at floating rates.

Credit Risk

Credit risk is the risk of suffering financial loss when our customers fail to fulfil their contractual obligations to us. This risk arises mainly from trade receivables from the sale of electricity to customers. The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. We implement a range of policies and practices to mitigate this risk, for instance by collecting security deposits from customers and terminating electricity connections for customers who defaulted on

payments for longer than three months. We closely monitor the collection of receivables and recognize impairment allowances based on objective evidence of impairment of trade receivables. Our cash balances and time deposits are placed with reputable counterparties that enjoy good credit rating or bank standing.

Liquidity Risk

Liquidity risk is the risk that we are unable to meet our obligations when they fall due. We monitor and evaluate cash inflow and cash outflow to ensure the availability of funds to settle our obligations. We maintain adequate cash, reserves, banking facilities and borrowings to match the maturity profiles of our financial liabilities.

Commodities Risk

We are exposed to price fluctuations of certain commodities such as fuel oil, natural gas and coal. An increase in the prices of fuel oil, natural gas or coal will result in a corresponding increase in our operating expenses. As of December 31, 2017, fuel oil, natural gas and coal expenses accounted for 8.5%, 17.3% and 15.4% of our total operating expenses. Our key supply agreements, such as our fuel oil supply agreements with Pertamina, link our prices to market prices. We do not currently use derivatives or other hedging services with respect to our purchases of fuel oil, natural gas and coal.

Off-Balance Sheet Arrangements

As at the date of this Offering Memorandum, we do not have any off-balance sheet arrangements.

Taxation

Our Company generally pays tax at the prevailing tax rates in Indonesia. For 2017, the maximum corporate tax rate was 25%. As of the date hereof, the maximum rate of corporate tax in Indonesia is 25%.

Inflation

According to the Indonesian Bureau of Statistics, Indonesia's annual overall inflation as measured by the consumer price index ("CPI") was approximately 3.4% in 2015, 3.0% in 2016 and 3.6% in 2017 (preliminary data), in each case calculated on the basis of 2012 CPI = 100. We do not consider inflation in Indonesia, where all of our operations are currently located, to have had a material impact on our results of operations.

INDUSTRY OVERVIEW

History of Power Demand in Indonesia

The ongoing transformation of Indonesia from an agricultural to a manufacturing-oriented economy has played a particularly important role in the growth of demand for electricity. The agricultural sector is characterized by a low level of electricity consumption, despite the increasing use of electric motors, pumps and other electrical equipment. In contrast, the manufacturing sector relies heavily on electricity as a major source of energy. The expansion of the commercial sector in Indonesia, which generally consumes a higher level of electricity than the agricultural sector, has similarly contributed to the growth of demand for electricity in Indonesia through time.

The following table sets forth certain information regarding Indonesia's GDP by sector from 2015 to 2017, at constant market prices:

	As of December 31,					
	2015		2016		2017	
	<i>(Rp. billions)</i>	(%)	<i>(Rp. billions)</i>	(%)	<i>(Rp. billions)</i>	(%)
Manufacturing.....	1,934,533	21.5	2,017,555	21.4	2,103,066	21.2
Agriculture, livestock, forestry and fishing.....	1,171,579	13.0	1,209,687	12.8	1,256,894	12.7
Services/Commercial.....	690,537	7.7	716,169	7.6	741,757	7.5
Mining and Quarrying.....	767,327	8.5	775,486	8.2	779,925	7.9
Others.....	4,418,535	49.2	4,714,140	50.0	5,031,107	50.8
Total	<u>8,982,511</u>	<u>100</u>	<u>9,433,037</u>	<u>100</u>	<u>9,912,749</u>	<u>100</u>

Source: Biro Pusat Statistik, Bank of Indonesia

Other factors contributing to the growth of power demand in Indonesia include a stable population growth, increasing affluence and the urbanization of the growing Indonesian population as well as a robust industrial production growth. In addition to a steadily growing population which is expected to reach 285 million by 2025 according to BMI Research data, increasing affluence and improving standards of living in Indonesia have generally resulted in higher per capita consumption of electricity through the greater use of air conditioners and electrical household appliances. Increased urbanization, which is expected to reach approximately 57.2% by 2020 according to BMI Research data, has also generally reduced the number of persons per dwelling, leading to a larger number of electricity consuming households. An increased power demand is also likely to result from the industrial production growth, which BMI Research projects as growing at a CAGR of 6.6% between 2015 and 2021.

Market Structure and Reform

The electricity sector in Indonesia has effectively been monopolized under PLN. PLN's history dates back to Indonesia's independence in 1945, although it has been through a variety of structural reorganizations since. In 1995, PLN was reorganized into a holding company with two main generating subsidiaries and a number of specialist subsidiaries. PLN currently operates under the control of the DGEEU.

PLN had a monopoly on power generation, transmission and distribution until the middle of 1989. In 1989, concern that PLN would be unable to meet an estimated increase in future demand of 10.0% per annum resulted in a decision that year to allow IPPs to participate in power generation. Consequently, PLN had signed 27 IPP projects with a combined capacity of 10.8 GW by 1997, typically with consortiums that featured well-connected Indonesian partners.

However, the Asian economic crisis in 1997 had a negative impact on the macro-economic environment in Indonesia and, as a consequence, its electricity industry and our Company. In response, the Government launched a number of initiatives that included renegotiating certain PPAs to improve the economic sustainability of those contracts. In 2003, the Government renegotiated 26 power plant projects with the IPPs. Of those, six of the schemes were terminated and five projects were taken over by either the Government, PLN or Pertamina.

In August 1998, the Government also issued a white paper that articulated a number of objectives for the restructuring of the electricity sector. Reform took place through the enactment of Electricity Law No. 20/2002, which promoted a process of gradual deregulation of the electricity sector, including the introduction of competition. Indonesia’s Constitutional Court annulled this law in December 2004, however, ruling that it was against Indonesia’s constitution to deregulate the industry. The Constitutional Court then reinstated the Old Electricity Law, which was complemented by Government Regulation No. 23/1994 to give PLN the sole right to provide electricity in Indonesia.

On September 23, 2009, the New Electricity Law came into effect, revoking and replacing the provisions of the Old Electricity Law. Under the New Electricity Law, electricity supply in Indonesia is no longer executed by the state and carried out by PLN as the holder of the PKUK. Instead, the electricity supply is controlled by the state and conducted by the central Government and regional governments through state-owned enterprises, regional-owned enterprises, private business enterprises, cooperatives and non-government enterprises. Nonetheless, the New Electricity Law does provide state-owned enterprises a “first priority” right to conduct the electricity supply business for public use. The New Electricity Law is designed to allow for greater private sector participation in areas still under the control of the central Government or regional governments, where electricity demand exceeds supply. On January 24, 2012, the Government issued Government Regulation No. 14/2012 as the implementing rules of the New Electricity Law, which was further amended by Government Regulation No. 23/2014 on April 14, 2014. See “*Regulation of the Indonesian Electricity Sector.*”

Market Overview

The following table sets forth the number of customers, installed capacity, peak demand, electricity sales and electrification ratios for PLN’s electricity power system in Indonesia as of December 31, 2017:

	As of December 31, 2017				
	Number of customers	Installed capacity	Peak demand	Electricity sales	Electrification ratio
	(millions)	(MW)	(MW)	(GWh)	(%)
Java-Bali	43.5	28,745	25,665	165,061	97.7
Sumatra	12.9	7,684	5,897	34,627	90.9
Sulawesi	4.2	1,869	2,390	9,410	87.3
Kalimantan	3.7	2,321	1,812	9,197	85.2
Other Islands	3.7	2,037	1,280	4,839	67.2
Total	68.1	42,656	37,044	223,134	94.5

Source: PLN

Generation

Indonesia is in need of a substantial increase in generating capacity. The country currently faces a shortage of generating power, a problem made worse by the lack of an integrated national grid. This has resulted in frequent power outages in recent years (despite the nominal reserve margin of the Java-Bali grid being 24%, its operating reserve margin is significantly lower, primarily due to the underutilization of generation plants). In addition, as PLN's facilities are mainly fuel oil-based, high fuel oil prices have resulted in rising fuel expenses and increased government subsidy. As a result, PLN has been mandated by the Government (pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014) to implement the Fast Track Program I to build 9,587 MW of cheaper coal-fired generation plants. Under this mandate, PLN would develop ten coal-fired power plants in Java-Bali (7,490 MW) and 32 coal-fired power plants outside Java-Bali (2,437 MW) totaling 9,927 MW. Approximately 97.0% of the plants to be built under the Fast Track Program I have been completed and were in operation in 2017 (five years later than and originally planned due to issues relating to availability of land and the performance of EPC contractors). See *“Relationship with the Government — Government as Customer — The Fast Track Programs — Fast Track Program I.”*

In addition to the Fast Track Program I, the Government has mandated PLN (pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014 and supplemented by MEMR Regulation No.15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014) to implement the Fast Track Program II to procure 17,428 MW of renewable energy, gas and coal-fired plants. The Fast Track Program II is designed to meet increasing electricity demand in Indonesia beyond completion of the Fast Track Program I, focus on renewable energy sources and invite private sector participation in electricity development. We have been mandated under the Fast Track Program II to develop a total capacity of approximately 17,428 MW by 2025, which was previously scheduled to be completed by 2014. IPPs will be responsible for providing 11,629 MW mandated to be procured. As of December 31, 2017, of the 17,428 MW total planned capacity under the Fast Track Program II, eight Fast Track Program II projects (including IPPs) comprising a total capacity of 755 MW, or approximately 4% of the total planned capacity of 17,428 MW, were in operation; 5,836 MW (or 33.5% of the total planned capacity of 17,428 MW) were at the construction stage; 3,325 MW (or 19.1% of the total planned capacity of 17,428 MW) were at the financial close stage; and 7,507 MW (or 43.1% of the total planned capacity of 17,428 MW) were at the planning and procurement stage. All projects under Fast Track Program II are expected to be operational by 2025. See *“Relationship with the Government — Government as Customer — The Fast Track Programs — Fast Track Program II.”*

PLN remains the dominant participant in domestic power generation. However, a renewed emphasis on private sector investments, primarily on IPPs, marks a return to development plans set in place before the 1997 Asian economic crisis. As of December 31, 2017, there were 61 IPPs that were classified as material operating in Indonesia with a contractual capacity of 10,996 MW (excluding IPPs treated as operating leases and captive power plants). A further 26,261 MW of generation capacity is under development by IPPs, of which the vast majority is coal-fired.

The Government plans to develop additional 20.2 GW on Java and Bali by 2024, which will be achieved initially via the Fast Track Programs and the 35,000 MW Program.

Transmission and Distribution

In addition to the lack of adequate investment in generating capacity, long-haul transmission also remains a problem. Indonesia does not have an integrated network of transmission grids. The Java-Bali grid is our main integrated grid, and is connected by a transmission system running at 500 kV, 150 kV and 70 kV. Outside Java-Bali, individual islands use isolated transmission networks at 150 kV and 70 kV. As of December 31, 2017, the combined length of the transmission lines was approximately 48,091 kilometers. Our 20 kV distribution lines covered 401,959 kilometers and our low voltage lines covered 626,720 kilometers. We plan to invest approximately Rp.32.6 billion for transmission development projects in 2018. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditures and Contractual Commitments.*”

Supply

As of December 31, 2017, we served approximately 68.1 million electricity customers throughout Indonesia, of which 43.5 million of the total were in Java-Bali. Based on the number of customers, approximately 91.9% of our customers were residential, with the category accounting for around 42.3% of total electricity sales (in GWh) in 2017. A further 0.1% of customers were from industry, accounting for 32.4% of total electricity sales (in GWh) in 2017. The remaining customers came from the business and the public sectors, which accounted for approximately 18.7% and 6.6% of total electricity sales (in GWh), respectively, and 5.3% and 2.7% of total customers respectively, in 2017.

Power Outlook in Indonesia

The increase in demand for electricity has been driven by Indonesia’s relatively low per capita consumption and electrification ratios, which are among the lowest in Asia. Demand is projected to grow at more than 6.86% per annum from 2018 to 2027, with total electricity demand expected to more than double between 2018 and 2027 according to the National Electricity Business Plan (RUPTL) 2018-2027.

Projected Indonesian Energy Demand 2018-2027						
	Unit	2018	2020	2023	2025	2027
Energy Demand						
Indonesia	TWh	239.3	275.9	337.2	381.7	433.9
Java-Bali	TWh	177.9	202.4	241.2	268.6	301.8
Eastern Indonesia	TWh	26.1	31.1	39.9	46.5	54.1
Western Indonesia	TWh	35.3	42.5	56.2	66.5	78.6
Electrification Ratio						
Indonesia	%	96.15	99.10	99.94	100.00	100.00
Java-Bali	%	98.45	99.95	100.00	100.00	100.00
Eastern Indonesia	%	89.53	93.09	99.65	100.00	100.00
Western Indonesia	%	95.25	97.74	100.00	100.00	100.00

Source: National Electricity Business Plan (RUPTL) 2018-2027, PLN

The following chart sets forth electrification rates across select Asian countries:

	Electrification Rate
	(%)
Singapore	100
Brunei	100
China	100
Malaysia.....	99
Thailand	100
Sri Lanka	100
Vietnam	98
Mongolia.....	91
Philippines	90
Indonesia.....	91
India.....	82
Pakistan	74

Source: Based on 2016 data sourced from the World Energy Outlook Special Report “Energy Access Outlook 2017 — From Poverty to Prosperity”, available at:
https://www.iea.org/publications/freepublications/publication/WEO2017SpecialReport_EnergyAccessOutlook.pdf.

The following table sets forth the per capita electricity consumption of select Asian countries:

	Electricity consumption per capita
	(MWh/capita)
Taiwan.....	11.0
South Korea.....	10.9
Singapore	9.2
Japan	7.6
Hong Kong	6.1
Malaysia.....	4.8
China.....	4.4
Thailand	2.7
Vietnam.....	1.6
India.....	0.9
Indonesia.....	0.9
Philippines.....	0.8
Pakistan.....	0.5

Source: Calculations based on EIU data, as of December 2017.

Furthermore, countries with predominantly manufacturing-based economies tend to consume more electricity and, thus, have higher generation capacities per U.S.\$ of GDP, compared to countries that are services-based. Given the Indonesian economy’s relative focus on manufacturing, and its relative stage of development, Indonesia is expected to offer significant potential for growth in the electricity industry.

The following table sets forth the installed capacity of select Asian countries:

	Installed capacity
	<i>(GW)</i>
China.....	1,771
India.....	367
Japan.....	335
South Korea.....	109
Indonesia.....	59
Taiwan.....	58
Thailand.....	47
Vietnam.....	47
Malaysia.....	34
Pakistan.....	25
Philippines.....	23
Singapore.....	14
Hong Kong.....	13

Source: EIU, as of December 2017.

The following table sets forth the total electricity consumption of select Asian countries:

	Electricity consumption
	<i>(TWh)</i>
China.....	6,004
India.....	1,235
Japan.....	973
South Korea.....	558
Taiwan.....	258
Indonesia.....	228
Thailand.....	190
Vietnam.....	156
Malaysia.....	151
Pakistan.....	93
Philippines.....	85
Singapore.....	52
Hong Kong.....	45

Source: EIU, as of December 2017.

OUR BUSINESS

We are Indonesia's state-owned electric utility company and are wholly-owned by the Government, which is represented by the Ministry of State-Owned Enterprises. We provide most of the public electricity and electricity infrastructure in Indonesia, including construction of power plants, power generation, transmission, distribution and retail sales of electricity. We are the largest electricity producer in Indonesia, and as of December 31, 2017 had a power generation capacity of approximately 42,656 MW (excluding power generation capacities of IPPs with which we have entered into IPP Power Supply Contracts) that accounted for over 76% of the total installed generation capacity in Indonesia of 55,926 MW and served approximately 68.1 million customers. As of December 31, 2017, we owned and operated 1,656 electricity generating plants comprising 6,221 electricity generating units in Indonesia, including fuel oil-fired, natural gas-fired, coal-fired, geothermal and hydroelectric plants. We also purchase almost all of the electricity produced in Indonesia by IPPs, which are private companies that own electricity generating plants. As of December 31, 2017, we have entered into 61 material IPP Power Supply Contracts with IPPs operating in Indonesia with an aggregate contractual capacity of 10,996 MW.

Generation Network



Source: PLN 2017

We operate eight main grids in Java-Bali, North Sumatra, South Sumatra, West Kalimantan, Central Kalimantan, East Kalimantan, North Sulawesi and South Sulawesi, which are the most populated regions in Indonesia. Approximately 58.2% of the total population of Indonesia (approximately 152.4 million people) live on Java and Bali, and the region accounted for approximately 64% of our total customers' power consumption in 2017. As of December 31, 2017, we controlled approximately 48,901 kilometers-circuits of transmission lines and approximately 1,028,679 kilometers-circuits of distribution lines.

Our charges for electricity are based on electricity tariff rates which are set by the Government and regulated by MEMR Regulation No. 28/2016. See *“Regulation of the Indonesian Electricity Sector.”* Pursuant to Presidential Regulation No. 8/2011, the Government increased the electricity tariff by an average of 10.0% retroactive with effect from July 1, 2010. As a result of the protests from some of our customers, in particular our industrial customers, the Government decided to cap the maximum tariff increase at 18.0%, which was effective until December 31, 2010. Since January 2011, there has not been any cap on the tariff increase and we have billed all of our customers based on the tariffs prescribed by Presidential Regulation No. 8/2011.

There are four types of charges that we can levy on our customers: (i) demand charge; (ii) variable energy charge; (iii) minimum payment; and (iv) special service tariff. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview.”*

The tariff rates set by the Government have, for some time, been inadequate to cover our cost of producing the electricity we sell for certain residential customers whose tariff rates are set at levels below our costs of producing the electricity. However, because we perform a PSO within the meaning of Law No. 19/2003, the Government is obligated to subsidize us for the difference between our cost to produce the electricity we sell and the price we are permitted to charge for that electricity under the tariff rates set by the Government. The subsidy mechanism is defined in the Minister of Finance Regulation No. 44/PMK.02/2017, as amended by the Minister of Finance Regulation No. 162/PMK.02/2017. See *“Relationship with the Government”* and *“Regulation of the Indonesian Electricity Sector.”*

In order to reduce our reliance on fuel oil, and pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, the Government introduced the Fast Track Program I which originally mandated us to build coal-fired electricity generating plants at 40 locations in Indonesia, including ten plants with an aggregate capacity of 6,900 MW in Java-Bali and 30 plants with an aggregate capacity of 2,022 MW outside Java-Bali. The Fast Track Program I was subsequently amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, which increased the mandate to 42 locations, including ten plants with an aggregate capacity of 7,490 MW in Java-Bali and 32 plants with an aggregate capacity of 2,437 MW outside Java-Bali. The latest amendment in 2014 revised capacity for the Riau Project and made an appeal to the ministers, heads of non-ministerial government agencies, governors and regents or mayors to provide support in accelerating the process of permit and environmental document approvals, land acquisition and acquisition and compensation for transmission lines. Two of the 42 originally mandated locations have been combined into one location, three locations have since been terminated due to difficulties involving conditions of the sites and EPC contractors, and four locations have been reserved for future development, resulting in 34 locations with active development for 9,927 MW under the Fast Track Program I.

As of December 31, 2017, we have completed construction of generating plants at 27 out of the 34 planned locations and aggregate capacity of 9,640 MW were in operation, equal to approximately 97% of the total planned capacity of 9,927 MW. The other seven locations representing approximately 3% of total capacity (287 MW) are expected to begin operations in 2018 (177 MW) and 2019 (110 MW), respectively. Approximately 97% of these electricity generating plants to be built pursuant to the Fast Track Program I have been completed and were in operation in 2017. The generating plants under the Fast Track Program I that completed in 2017 became operational five years later than originally planned due to issues relating to availability of land and the performance of contractors. See *“Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program”* and *“— We are exposed to certain risks associated with developing additional*

*electricity generating plants and acquiring other power generation assets.” Pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014, the Government subsequently mandated us in the second phase of the Fast Track Program II to procure 5,799 MW of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia beyond that provided by completion of the Fast Track Program I above. Similar to the Fast Track Program I, Presidential Regulation No. 194/2014 aimed to provide support for accelerating the approval process for obtaining permit and environmental documents, land acquisition and acquisition and compensation for transmission lines. The private sector has been invited to participate in electricity development under the Fast Track Program II as IPPs are responsible for providing approximately 11,629 MW of energy mandated to be procured. As of December 31, 2017, of the 17,428 MW total planned capacity under the Fast Track Program II, eight Fast Track Program II projects (including IPPs) comprising a total capacity of 755 MW, or approximately 4% of the total planned capacity of 17,428 MW, were in operation; 5,836 MW (or 33.5% of the total planned capacity of 17,428 MW) were at the construction stage; 3,325 MW (or 19.1% of the total planned capacity of 17,428 MW) were at the financial close stage; and 7,507 MW (or 43.1% of the total planned capacity of 17,428 MW) were at the planning and procurement stage. We are currently in various stages of planning and negotiation of the EPC contracts in relation to the remaining mandated locations. The Government has formally extended the original completion year for the Fast Track Program II from 2014 to 2025. The Fast Track Programs are likely to result in the development of 108 plants with a total capacity of approximately 27,355 MW in order to reduce our reliance on fuel oil and the Government’s subsidy burden and meet rising electricity demand in Indonesia. See “*Relationship with the Government — Government as Customer — The Fast Track Programs*” and “*Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program*” and “*— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.*”*

We had total revenues, income and Adjusted EBITDA of Rp.255,295 billion (U.S.\$18,844 million), Rp.4,428 billion (U.S.\$327 million) and Rp.59,590 billion (U.S.\$4,177 million), respectively, for the year ended December 31, 2017. The volume of electricity we transmitted and distributed in 2017 increased by 3.3% to 223,134 GWh from 216,004 GWh in 2016. From 2010 through 2016, our cumulative average annual increase in volume of electricity transmitted and distributed was 6.1%. In the year ended December 31, 2017, we achieved a SAIDI and a SAIFI of 19.3 hours per consumer per year and 12.7 interruptions per consumer per year, respectively.

Our corporate offices are located at Jalan Trunojoyo Blok M 1/135, Kebayoran Baru, Jakarta Selatan, Indonesia.

Our History

The electric utility industry in Indonesia began at the end of the 1800s, when several Dutch companies established electrical generators in Indonesia. These electrical energy enterprises later formed the public interest company NV.NIGM. Following the independence of Indonesia in August 1945, the Government assumed control of these electrical companies. On October 27, 1945, President Soekarno established the Jawatan Listrik dan Gas (Bureau of Electricity and Gas), with a total generation capacity of 157.5 MW.

On January 1, 1961, the Bureau of Electricity and Gas was converted into BPU-PLN (Badan Pimpinan Umum Perusahaan Listrik Negara), which focused on electricity, gas and kokas (a type of fuel derived from coal).

On May 13, 1965, BPU-PLN was split into two separate companies, Perusahaan Listrik Negara (PLN) for electrical energy and PGN for natural gas. At such time, PLN’s total generation capacity was 300 MW.

In 1972, the Government changed our status from Perusahaan Listrik Negara to a public service company (known as Perusahaan Umum Listrik Negara (PLN)). In 1985, the enactment of Law No. 15/1985 of the Electricity Act gave us exclusive control over the business of providing electricity in Indonesia. In 1990, by Government Regulation No. 17/1990, as amended by Government Regulation No. 23/1994, the Government appointed PERUM PLN as the exclusive owner of Indonesia's entire electricity generating business.

In 1989, the Government opened up the electricity supply business to the private sector. In line with this policy, in July 1994, we changed our status from Perusahaan Umum to a limited liability state-owned enterprise (known as Perusahaan Perseroan (Persero)).

In 1998, in response to the Asian financial crisis, we entered into negotiations to restructure our PPAs with our IPPs, and completed the restructuring in 2003 which resulted in some write-offs, partial cash payment, and conversion of payables into long-term debt. As part of the restructuring schemes, we renegotiated the main terms and conditions and period of PPAs. We completed the restructuring of certain Government subordinated loans in 2001.

In 2003, the Government enacted Law No. 19/2003 to provide state-owned enterprises that are assigned to provide PSOs the right to compensation from the Government of all of their costs, as well as the expected margin, if the assignment is not feasible.

In 2006, the Government introduced the Fast Track Program I, pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, which mandated us to build 42 coal-fired electricity generating plants.

On September 23, 2009, the Government issued the New Electricity Law. Prior to the enactment of the New Electricity Law, the supply of electricity in Indonesia was the responsibility of the state and was carried out by us at the direction of the Government. We held PKUK from the Government under which we operated as an integrated electricity supply company. Under the New Electricity Law, our PKUK is no longer recognized and we are deemed as already having obtained the IUPTL. On September 30, 2011 we obtained an Electricity Supply Business License under which we operate as an integrated electricity supply company with a business area covering all of the territory of Indonesia, which is valid until 2046 pursuant to an extension granted by the Head of BKPM on behalf of the MEMR on September 27, 2016.

In 2010, the Government introduced the Fast Track Program II, pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014, and supplemented by MEMR Regulation No. 15/2010, as amended by MEMR Regulation No. 1/2012, MEMR Regulation No. 21/2013, MEMR Regulation No. 32/2014 and MEMR Regulation No. 40/2014 which mandated us to build five geothermal, four hydroelectric, six coal-fired and one natural gas-fired electricity generating plants as well as the relevant transmission lines.

In 2015, the Government launched a national strategic development program, namely the 35,000 MW Program. The program was confirmed in the National Medium Term Development Plan 2015-2019 document and Presidential Regulation No. 4/2016, as amended by Presidential Regulation No. 14/2017, has been issued in order to implement the program. Our Company has been tasked to implement the 35,000 MW Program along with the private sector in the IPP scheme. In March 2018, pursuant to the National Electricity Business Plan (RUPTL) 2018-2027, the Government adjusted the target completion dates and capacities under this program to 15,600 MW by the end of 2019 and 35,000 MW by the end of 2024. We have recalibrated our plan for the 35,000 MW Program according to the adjusted target completion dates and capacities.

Business Strengths

Our Company performs strategic functions that are integral to the development of the economy and the electricity sector of Indonesia. The Government has set a target for economic growth rate of 6.7% per year through 2025 and has mandated PLN to implement the 35,000 MW Program in order to support such growth and to achieve the electrification ratio of 97.4%. We believe that the following are our key business strengths:

Strong relationship with the Government

We are wholly-owned by the Government which is represented by the Ministry of State-Owned Enterprises. We believe that the Government is committed to our financial soundness as part of its objective to ensure a stable electricity supply in Indonesia. As part of the Government support, the Government provides us with compensation to cover the excess of our costs incurred and the expected PSO Margin over certain electricity tariff rates determined by the Government. Electricity subsidies are included in the state budget, and, since we perform a PSO within the meaning of Law No. 19/2003, the Government is required to cover losses we incur because electricity tariff rates we charge our customers are inadequate to cover our cost of providing electricity to customers. The Government also issued Presidential Decree of the Republic of Indonesia No. 3/2016 regarding National Strategic Project Acceleration and Presidential Regulation of the Republic of Indonesia No. 4/2016, as amended by Presidential Regulation No. 14/2017, regarding The Acceleration of Development of Electricity Infrastructures as part of the Government's commitment to support the Company. For more details on our strong relationship with the Government, see "*Relationship with the Government.*"

Dominant provider of electricity in Indonesia's fast-growing electricity market

We are the dominant provider of electricity in Indonesia's growing electricity market. By regulation, we have been the sole provider for the transmission and distribution of electricity in Indonesia and we had over 76.3% of the total installed generation capacity in Indonesia as of December 31, 2017. As of December 31, 2015, 2016 and 2017, our installed generation capacity (not taking into account the installed generation capacity of IPPs) was 41,895 MW, 43,294 MW and 42,656 MW, respectively. We also have an extensive presence across the different regions in Indonesia.

Further, we believe that the Indonesian electricity demand is closely linked to the country's economic growth and that the demand for electricity in Indonesia will continue to grow. Indonesia's real GDP increased by 5.1% in 2017 over 2016 and 5.0% in 2016 over 2015. In addition, we believe Indonesia offers a significant potential for growth in the electricity sector as its electricity consumption per capita (0.9 MWh/capita) and power generation capacity per capita are significantly lower than those of the other Asian emerging economies such as Malaysia, Thailand or Vietnam, according to the International Energy Agency (World Energy Outlook 2016). As such, the Government has projected in its expansion plan report in 2018, the National Electricity Business Plan (RUPTL) 2018-2027 published on March 13, 2018, that there will be a growth in demand for electricity of more than 6.86% per annum over the next ten years, and total electricity demand will more than double between 2018 and 2027. As the major provider of electricity in Indonesia, we expect to benefit from such growth. See "*Industry Overview*" and "*Risk Factors — Risks Relating to Indonesia.*"

Focus on improving our operating efficiency and reducing our costs

Over the last few years, we have focused on improving our operating efficiency and reducing our costs. Our transmission and distribution losses remained relatively constant at 9.8% in 2015, 9.5% in 2016 and 8.8% in 2017. Through the introduction and implementation of a new prepayment system and online payment technology, we have improved our customer collection mechanism. We also improved network reliability by implementing a program to address illegal street lights and energy consumption

control to reduce network loss figures. We continue to reduce our reliance on fuel oil, diversifying our energy mix to lower marginal cost of fuel and our operating expense. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations and Financial Condition.*”

Experienced Board of Directors, Board of Commissioners and management team

Most of the members of our Board of Directors each have over 25 years of experience in the electricity sector. We believe our management team has complementary skill sets and a strong understanding of the local electricity market. The members of our Board of Commissioners are well respected and have been appointed by the Ministry of State-Owned Enterprises, with several of them having strong ties with the Government.

Stable financial profile

We believe we have a stable financial profile based on our Adjusted EBITDA to Financial Cost, relatively modest Total Borrowings to Equity Ratio and the state of our consolidated statement of financial position. For the year ended December 31, 2016, our Adjusted EBITDA to Financial Cost (non-GAAP) measure was 2.97 and our Total Borrowings to Equity Ratio (non-GAAP) measure was 31.3%. For the year ended December 31, 2017, our Adjusted EBITDA to Financial Cost (non-GAAP) measure was 3.05 and our Total Borrowings to Equity Ratio (non-GAAP) measure was 36.5%. In addition, between 2015 and 2017, our Adjusted EBITDA (non-GAAP) decreased from Rp.76,165 billion for the year ended December 31, 2015 to Rp.55,595 billion for the year ended December 31, 2016 and increased to Rp.56,590 billion (U.S.\$4,177 million) for the year ended December 31, 2017. Our Adjusted EBITDA margin (non-GAAP), which is calculated by dividing Adjusted EBITDA over Adjusted Revenue, decreased from 27.8% for the year ended December 31, 2015 to 19.8% for the year ended December 31, 2016 and decreased to 18.8% for the year ended December 31, 2017. The decreases in both Adjusted EBITDA (non-GAAP) and Adjusted EBITDA margin (non-GAAP) are primarily due to the change in accounting policy relating to the exclusion of the application of ISFAS 8 to our IPP Power Supply Contracts in 2016, resulting in a decrease in operating income.

Please note that our Adjusted EBITDA, Adjusted EBITDA margin and related non-GAAP financial ratios disclosed above for 2015 are not directly comparable to such amounts in 2016 and 2017 due to a change in accounting policy. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Restatement of Prior Years’ Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Changes in Accounting Policies.*” In addition, please note that our Adjusted EBITDA refers to our operating income plus depreciation expense, amortization expense and actuarial employee benefit expense — net of payments made during the period. Adjusted EBITDA and Adjusted EBITDA margin presented in this Offering Memorandum are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indonesian GAAP/IFAS or U.S. GAAP. For further information on the computation of our Adjusted EBITDA and other non-GAAP measures, please see “*Non-GAAP Financial Measures.*”

Strategy

We have the following strategic objectives:

Successful implementation of the 35,000 MW Program

The 35,000 MW Program is a shared program between PLN and different IPPs to construct plants, transmissions and substations throughout Indonesia pursuant to Presidential Regulation No. 4/2016, as amended by Presidential Regulation No. 14/2017, promulgated to increase the pace of development of electrification infrastructure in an effort to fulfill Indonesia’s demand for electricity and stimulate

economic growth. In Sumatra, there will be a construction of 76 plants, 210 transmissions and 398 substations. In Kalimantan, there will be a construction of 40 plants, 68 transmissions and 115 substations. In Sulawesi and Nusa Tenggara, there will be a construction of 83 plants, 90 transmissions and 165 substations. In Java and Bali, there will be a construction of 49 plants, 349 transmissions and 672 substations. In Maluku and Papua, there will be a construction of 43 plants, 15 transmissions and 25 substations. We are responsible for the construction of 24.8% of the plants, 93% of the transmissions and 95% of the substations contemplated in the plan.

For plant construction, we plan to use EPC schemes for projects owned by PLN. We will be responsible for costs and activities involved with planning, funding, acquiring land and operating plants through the use of the EPC scheme and potentially a full turnkey contract scheme, in which the EPC contractor is paid on a progress-payment basis as calculated based on goods delivered to PLN on site, or use of a project management consultant and different risk allocation procedures will be in place depending on the priority and nature of each project. Substation and transmission construction will be executed by appointment of contractors using the EPC scheme. The build-operate-transfer scheme in which private contractors construct, fund and operate the transmission and costs are returned by PLN over an agreed time period will be used to minimize risks.

As of December 31, 2017, approximately 4% of the 35,000 MW Program's construction was completed (mainly in Sulawesi and Sumatra region), 48% was under construction (mainly in Java, Bali and Sumatra), 35% was yet to be constructed (mainly in Java, Bali and Sumatra), 8% was still in the tendering process (mainly in Sumatra, Sulawesi, and Java-Bali) and 5% was still under planning (mainly in Sumatra). Out of the 8,911 MW that we are solely responsible for, 5% is completed, 63% is under construction, 17% is still in the tendering process and 14% is still under planning. In early 2018, the Government adjusted the 35,000 MW Program's completion date to 2024, five years later than originally planned, in order to account for less-than-expected electricity demand. Considering investments required for implementing the 35,000 MW Program, we will seek to obtain financing from capital markets or financial institutions while strengthening our capital structure to maintain sound financial ratios. See "*Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program*" and "*— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.*"

Successful implementation of the Fast Track Programs

Pursuant to Presidential Regulation No. 71/2006 as amended by Presidential Regulation No. 59/2009, Presidential Regulation No. 47/2011, Presidential Regulation No. 45/2014 and Presidential Regulation No. 193/2014, the Government has mandated us to accelerate the development of coal-fired electricity generating capacity in Indonesia through the Fast Track Program I.

In addition, pursuant to Presidential Regulation No. 4/2010 as amended by Presidential Regulation No. 48/2011 and Presidential Regulation No. 194/2014, the Government has mandated us to procure 17,428 MW (including power generation capacities of IPPs) of renewable energy, gas and coal-fired plants in order to fulfill increasing electricity demand in Indonesia through the Fast Track Program II. The Fast Track Programs are expected to result in the development of 108 plants with a total capacity of approximately 27,355 MW in order to reduce our reliance on fuel oil and the Government's subsidy burden and meet rising electricity demand in Indonesia. In relation to the Fast Track Program I, we have already signed the EPC contracts and obtained financing for 33 of the 34 planned locations. Construction of the plants with 97.0% of the total planned capacity to be built pursuant to the Fast Track Program I has been completed and these plants were in operation in 2017. In connection with the Fast Track Program II, we have completed construction of eight Fast Track Program II plants (including IPPs) comprising a total capacity of 755 MW, approximately 4% of the 17,428 MW total planned capacity under the Fast Track Program II. As of the date of this Offering Memorandum, we

have signed seven additional EPC contracts (excluding IPPs) for Fast Track Program II. This strategy will reduce our exposure to fuel oil-based production and increase our electricity production capacity that is necessary to satisfy the growing demand we expect in the next few years. See “Relationship with the Government — Government as a Customer — The Fast Track Program,” “Risk Factors — Risks Relating to our Business and Operations — We are exposed to risks associated with developing additional electricity generating plants and acquiring other power generation assets, in particular the successful completion of the Fast Track Programs and implementation of the 35,000 MW Program” and “— We are exposed to certain risks associated with developing additional electricity generating plants and acquiring other power generation assets.”

Continue our efforts to raise the electricity tariffs we charge our customers in order to reduce our reliance on Government electricity subsidies

The Government raised electricity tariffs by an average of 10.0% with effect from July 2010 and by an average of 15.0% in 2013 with the increases being effected on a quarterly basis based on MEMR Regulation No. 30/2012. However, the difference between the electricity tariffs we are able to charge our customers and our operating costs remain substantial. In addition, several of our customers are currently provided with electricity at subsidized rates while the majority of our remaining customers are taking advantage of automatic tariff adjustments.

We intend to continue to seek to raise the electricity tariffs we charge our customers to make our business profitable and reduce our reliance on Government electricity subsidies through our initiative to encourage business-to-business electricity sale at market rates and the implementation of regional electricity tariffs. We will continue to request subsidies from the Government when average selling prices are under our costs of electricity provision and raise funds to support our investment programs.

Focus on reducing our operating costs

We intend to reduce operating costs by:

- reducing our reliance on fuel oil-based generation and increasing our reliance on coal-based generation as part of the Fast Track Programs. In comparison to other types of fuel, Indonesia has an abundant supply of coal which is a significantly cheaper source of fuel. This strategy is also intended to meet the growing demand from our existing and new customers by developing new electricity generating plants and transmission and distribution facilities that are cost-effective as part of the Fast Track Programs;
- reducing generation costs through supply side management, which involves buying excess capacity from captive non-fuel oil generators during peak load hours, shutting down certain generating units during low-demand periods and shutting down certain fuel oil-fired generating units during weekends;
- reducing the cost of coal delivery through setting up three delivery zones in Sumatra, central Indonesia and eastern Indonesia to transport the coal to the power plants, based on the location of the relevant mine. The coal for power plants in Sumatra will be supplied from Sumatra island minings; central Indonesia will be supplied by Sumatra and South Kalimantan minings; and eastern Indonesia will be supplied from East and Central Kalimantan minings; and
- reducing the cost of production for gas fired power plants through setting up the gas supply zoning system which considers the distances from the gas sources to the power plants. We have now set up eight gas supply zones covering Northern Sumatra, Southern Sumatra, Western Kalimantan, South Kalimantan, Eastern Kalimantan, Southern Sulawesi, Nusa Tenggara, and Maluku-Papua with eight hub supply points, being Krueng Nias, FSRU Belawan, Bangka Belitung — Pontianak (Babel-Ponti), LNG Terminal Western Java, LNG Terminal Eastern Java, Central Indonesia, FSRU Gorontalo, and Maluku-Papua to supply the power plants in Indonesia. The gas power plant in Northern Sumatra will be supplied from Krueng Nias and FSRU Belawan;

Southern Sumatra and Western Kalimantan will be supplied from Babel Ponti; all of South Kalimantan, Eastern Kalimantan and Southern Sulawesi will be supplied from Central Java; Nusa Tenggara will be supplied from Central Java; and Maluku-Papua will be supplied from LNG Tangguh. We already own and operate four gas facilities: FSRU Belawan, LNG Terminal Western Java, LNG Terminal Eastern Java and FSRU Gorontalo. We are currently conducting a feasibility study and preparing the procurement of several gas facilities including an LNG storage facility, an LNG carrier, a regasification facility, a gas pipeline and a jetty. This aim of this strategy is to minimize the costs that we face under our take-or-pay arrangements for each gas power plant.

Introduce initiatives to improve the efficiency of our business operations

In order to improve our operating efficiency, we intend to further reduce network losses, improve our maintenance system, improve generation production efficiency, improve our inventory turnover/cycle and decrease our collection period and are implementing an operational performance program in order to achieve these goals. We are also seeking to improve several other operating efficiency measures such as the equivalent forced outage rate, capacity factor and number of customers per employee. In addition, we intend to further improve our financial efficiency through cash pooling by implementing a centralized online payment of electricity bills using the P2APST (Centralized Management and Supervisory of Revenue) system.

Our Operations

As of December 31, 2017, we served approximately 68.1 million customers in Indonesia through our transmission network comprising approximately 48,901 kilometers of transmission lines and 115,970 megavolt ampere (“MVA”) of transmission transformer capacity with approximately 1,028,679 kilometers of distribution lines and approximately 60,100 MVA of distribution transformer capacity.

We classify electricity consumers into four tariff categories: residential, business, industry and public (which consists primarily of government buildings, schools and hospitals). The following table sets forth the numbers of customers we had in each category, for the periods indicated:

	Year ended December 31,		
	2015	2016	2017
Residential	56,605,260	59,243,672	62,543,434
Business	2,894,990	3,239,764	3,579,364
Industry	63,314	69,629	76,816
Public	1,604,416	1,729,428	1,868,669
Total	<u>61,167,980</u>	<u>64,282,493</u>	<u>68,068,283</u>

The following table sets forth the aggregate amount of electricity transmitted and distributed by us to each category of our electricity consumers and for the periods indicated:

	Year ended December 31,		
	2015	2016	2017
	<i>(in GWh)</i>		
Residential	88,683	93,635	94,457
Business	36,978	40,074	41,695
Industry	64,079	68,145	72,238
Public	<u>13,106</u>	<u>14,150</u>	<u>14,743</u>
Total	<u>202,846</u>	<u>216,004</u>	<u>223,134</u>

Generation

Our electricity generating system consists primarily of fuel oil-fired, natural gas-fired, coal-fired, geothermal and hydroelectric electricity generating plants. As of December 31, 2017, we had an aggregate installed capacity of approximately 42,656 MW (excluding installed capacities of IPPs).

As of December 31, 2017, the breakdown of our generation capacity (excluding installed capacities of IPPs) by fuel type is as below:

- Coal-fired electricity generating plants — 19,585 MW;
- Natural gas-fired electricity generating plants — 12,731 MW;
- Fuel oil-fired electricity generating plants — 19,585 MW;
- Hydroelectric electricity generating plants — 3,583 MW;
- Geothermal electricity generating plants — 551 MW; and
- Other electricity generating plants — 11 MW.

Transmission

As of December 31, 2017, our transmission network in Indonesia comprised:

- 500 kV interconnected transmission system with 5,074 kilometers-circuits;
- 275 kV transmission system with 2,889 kilometers-circuits;
- 150 kV transmission system with 35,802 kilometers-circuits;
- up to 70 kV transmission system with 5,136 kilometers-circuits; and
- transformer capacity of 115,970 MVA.

Distribution

As of December 31, 2017, our distribution network in Indonesia comprised:

- 20 kV medium-voltage line distribution network of 401,959 kilometers-circuits;
- low-voltage line distribution network of 626,720 kilometers-circuits; and
- 471,765 units of distribution transformers with total capacity of approximately 60,100 MVA.

Capacity

The following table sets forth, for each of our 17 major electricity generating plants, the number of generating units, installed capacity, weighted average age of generating units and average capacity factor for the year ended December 31, 2017:

Year ended December 31, 2017							
Station	Fuel	Type	Location	Number of generating units	Installed capacity <i>(MW)</i>	Weighted average age <i>(Years)</i>	Average capacity <i>(%)</i>
Suralaya	Coal	ST ⁽¹⁾	Banten	4	1,600	31.0	82.06
	Coal	ST		3	1,800	15.0	78.65
Paiton	Coal	ST	East Java Central	2	800	23.5	81.46
Tanjung Jati B.....	Coal	ST	Java	4	2840	4.0	78.31
Gresik	Gas/Oil	C/GT ⁽²⁾	East Java	12	1,579	24.5	53.44
	Gas/Oil	ST		4	600	32.5	55.78
Muara Karang	Gas/Oil	C/GT	Jakarta	4	509	23.5	77.44
	Gas	C/GT		5	752	6.8	62.48
	Gas/Oil	ST		2	400	35.5	53.81
Tanjung Priok.....	Gas/Oil	C/GT	Jakarta	6	1,790	27.4	43.04
Cirata.....	Hydro-electric	HT ⁽³⁾	West Java	8	1,008	24.2	19.16
Saguling.....	Hydro-electric	HT	West Java	4	700	38.3	45.87
Grati	Oil/Gas	C/GT	East Java	4	462	35.0	37.68
Muara Tawar	Oil/Gas	C/GT	West Java	6	902	20.0	43.4
	Oil/Gas	GT		8	1,148	11.0	6.13
Cilegon	Gas	C/GT	Banten	3	740	11.0	77.84
Labuan	Coal	ST	Banten	2	600	8.0	64.94
Indramayu.....	Coal	ST	West Java	3	990	6.0	75.5
New Suralaya.....	Coal	ST	Banten Central	1	625	1.0	63.54
Rembang	Coal	ST	Java	2	630	6.0	71.44
Lontar	Coal	ST	Banten	3	945	5.0	81.76
Paiton Baru.....	Coal	ST	East Java	1	660	5.0	77.44
Total				<u>91</u>	<u>22,080</u>	<u>17.9</u>	<u>61.3</u>

Notes:

- (1) ST refers to steam turbine.
- (2) C/GT refers to combined-cycle gas turbine.
- (3) HT refers to hydroelectric turbine.

The following table sets forth our installed capacity breakdown by age as of December 31, 2017:

Age	Installed capacity
	(%)
Greater than 25 years	5.76
20-25 years.....	14.30
15-20 years.....	12.44
10-15 years.....	2.77
5-10 years	20.96
Less than five years.....	43.77

We comply with various international operating standards such as ISO 9001 with respect to Customer Services, ISO 14001 with respect to management and supervisory environment, ISO 31000 with respect to risk management, SNI 19-14001 with respect to management, OHSAS 16001, SMK3 & Zero Accident, and OHSAS 18001 with respect to Occupational Safety and Health Administration, ISO/IEC 17021, BSN 401-2000 with respect to product management, SNI/ISO/IEC 17201 with respect to environmental management and ISO 28000 with respect to supply chain security management system. Beginning January 1, 2011, we implemented the PLN Management System (PLNMS), which is a system whereby certifications are received on an integrated basis in order to avoid duplications. For example, all of our generating plants in a region will receive a single certification. As of December 31, 2017, under this new system, almost all Business Units (54 Business Units) and Subsidiaries (11 Subsidiaries) received certification including but not limited to 57 of ISO 14001, 160 of ISO 9001 and 178 of SMK3 & Zero Accident. SMK3 is an occupational safety, health management and zero accident certification.

Our generating units have a useful life of approximately 20 years for diesel-oil power plants, 30 years for China-made power-generating units (open -cycle gas turbine, combined-cycle gas turbine, steam turbine) and 40 years for Europe/Japan/USA-made generating units (open-cycle gas turbine, combined-cycle gas turbine, steam turbine and hydroelectric generating units).

We have an ongoing maintenance and rehabilitation program in order to maintain and increase the overall efficiency of our generating units and to derive the most economic loading for such units. This maintenance program includes, among other things, implementing total maintenance contracts (“TMCs”) that are aimed at improving and restoring the performance of generator units up to a certain level. An example is the TMC for Tanjung Jati B coal-fired, electricity generation plant. This TMC is with the consortium of Fortum Service OY and PT Medco Energi International, Tbk and lasts until 2030. The TMC incorporates targets such as a plant heat rate of 2,445 kcal/kWh and an availability factor average of 90.5% for 2017, and the contractor is subject to penalties for failure to meet these targets. We also have TMCs in place for our combined-cycle power plants. The following table sets

forth the electricity generated and purchased by us, the amount of electricity used by the plant or substation and the amount of electricity used or lost in the course of transmission and distribution for each of the three years ended December 31, 2015, 2016 and 2017:

	Year ended December 31,		
	2015	2016	2017
	<i>(GWh)</i>		
PLN facilities:			
Fuel oil	5,783	4,673	3,612
Coal	90,275	91,701	101,244
Natural gas.....	46,039	51,890	46,356
Geothermal.....	4,392	3,958	4,341
Hydroelectric	10,005	14,235	12,425
Total PLN production⁽¹⁾	156,493	166,457	167,978
Purchased from others⁽²⁾	77,351	82,153	86,682
Gross generation	233,844	248,611	254,660
Auxiliary use ⁽³⁾	(8,940)	(9,900)	(10,041)
Transmission and distribution losses.....	(22,058)	(22,706)	(21,485)
Electricity sold.....	<u>202,846</u>	<u>216,004</u>	<u>223,134</u>

Notes:

- (1) Including diesel rent.
- (2) Net purchased from others including IPPs and rentals.
- (3) Including station, transmission and distribution substation use.

Peak Load and Capacity

The following table sets forth the installed capacity, peak demand, net dependable capacity, reserve capacity, reserve margin, operating reserve margin, average demand, units of electricity sold and the average selling price for the years ended December 31, 2015, 2016 and 2017:

	Year ended December 31,		
	2015	2016	2017
	<i>(MW except percentages, GWh and average selling price)</i>		
Installed Capacity⁽¹⁾			
PLN	41,895	43,294	42,656
IPP ⁽²⁾	8,964	11,371 ⁽³⁾	13,270
Total system installed capacity ⁽⁴⁾	50,859	54,665	55,926
Peak demand ⁽⁵⁾	33,381	36,882	37,044
Net dependable capacity ⁽⁶⁾	42,759	48,309	49,049
Reserve capacity	17,478	17,783	18,882
Reserve margin ⁽⁷⁾	52.4%	48.2%	51.0%
Operating reserve margin ⁽⁸⁾	28.1%	31.0%	32.4%
Average demand ⁽⁹⁾	25,964	28,687	29,070
Units of electricity sold (GWh)	202,846	216,004	223,134
Average selling price (Rp./kWh)	1,035	994	1,105

Notes:

- (1) Installed capacity represents the combined level of output that may be sustained continuously without significant risk of damage to plant and equipment.
- (2) Represents the contractual capacity as specified in the relevant IPP contracts.
- (3) Excluding IPPs treated as operating leases and captive power plants.

- (4) Total system installed capacity represents our capacity and those of IPPs.
- (5) Peak demand represents the aggregate actual maximum peak demand on every system at any single time during the period.
- (6) Net dependable capacity represents the rated capacity and the contractual capacity of the IPPs as specified in the relevant IPP contracts.
- (7) The reserve margin is equal to the difference between total system installed capacity and peak demand as a percentage of peak demand.
- (8) Operating reserve margin is equal to the difference between net dependable capacity and peak demand as a percentage of a peak demand.
- (9) Average demand is equal to the average demand on our system during the period.

We have taken the following steps to manage the growth of peak demand:

- buying excess capacity from customers who have captive non-oil fuel generators during peak demand hours;
- encouraging energy conservation by individuals and business;
- encouraging residential customers to turn one light off from 5.00 p.m. to 10.00 p.m. everyday;
- introducing electricity tariff mechanisms which provide incentives to industry and large business customers to shift load from peak hours to off-peak hours;
- implementing a non-subsidized tariff to residential (equal to or above 1,300 VA), public (equal to or above 6,600 VA and public lighting), business (equal to or above 6,600 VA) and special services customers; and
- introducing a business-to-business tariff for new customers.

Our Assets and Grids

Our assets are diversified and located across Indonesia, with a large portion serving the Java-Bali region, the most populated area of Indonesia.

The following table sets forth the number of customers served, electricity generating plants, generating units, IPP electricity generating plants, total installed capacity, peak demand and electricity generated for each of the main regions of Indonesia as of December 31, 2017:

Region	Capacity (MW)					Customers (millions)
	Electricity Generating Units	Capacity (MW)			Peak Demand in 2017	
		PLN ⁽⁴⁾	IPPs ⁽³⁾	Total		
Java-Bali	422	28,745	7,715	36,460	25,665	43.5
Sumatra						
North	391	3,183	1,038	4,221	2,209	4.8
South	1,052	4,501	1,687	6,189	3,687	8.1
Kalimantan						
West Kalimantan	320	493	201	694	508	1.0
Central and South Kalimantan	559	940	99	1,039	680	1.7
East Kalimantan	455	888	522	1,410	624	1.0
Sulawesi ⁽¹⁾						
North Sulawesi	556	700	469	1,169	1,014	1.5
South Sulawesi	404	1,169	846	2,015	1,376	2.7
Others ⁽²⁾	2,062	2,037	693	2,730	1,280	3.7

Notes:

- (1) We also have approximately 33 isolated grids in Sulawesi.
- (2) Includes Bangka Belitung, West and East Nusa Tenggara, Maluku, Papua, PLN Batam and PLN Tarakan.
- (3) Represents the contractual capacity as specified in the relevant IPP contracts and includes IPPs treated as operating leases.
- (4) Includes generator units rented from others.

Set forth below is a description of our various regions of operation in the main islands of Indonesia. Within each region, we service the vast majority of our customers within one or more grids, as well as customers in isolated areas which do not form part of a particular grid.

Java-Bali

The Java-Bali grid is our largest grid and is fully interconnected using 500 kV transmission lines. As of December 31, 2017, we had approximately 43.5 million customers in Java-Bali, with 104 PLN electricity generating plants comprising a total of 338 electricity generating units and 73 IPP electricity generating plants comprising a total of 84 electricity generating units. The total installed capacity in Java-Bali was 36,460 MW, which includes a 7,715 MW contractual capacity from the IPP electricity generating plants. This was sufficient to meet the net peak demand of 25,665 MW in 2017.

Electricity generated in Java-Bali increased by 2.8% to 186,618 GWh in 2017, from 181,537 GWh in 2016. Electricity generated by the IPP plants increased by 7.0% from 44,017 GWh in 2016 to 47,085 GWh in 2017.

We operate fuel oil, natural gas, coal, geothermal and hydroelectric generating plants in Java-Bali. As part of the Fast Track Program II, we are mandated to complete two coal-fired and two hydroelectric generating plants in Java-Bali by 2026 adding 4,150 MW of capacity to the region.

See “*Relationship with the Government — Government as Customer — The Fast Track Programs.*”

Sumatra

We have two grids in Sumatra: North Sumatra and South Sumatra. We expect to complete 275 kV transmission lines connecting Aur Duri and Betung by the end of 2018, kV transmission lines connecting New Aur Duri to Perawang by 2018 and 500 kV transmission lines connecting New Aur Duri to Tanjung Enim by 2021. As of December 31, 2017, we had approximately 12.9 million customers in Sumatra.

As of December 31, 2017, there were 221 PLN electricity generating plants comprising of 991 electricity generating units and 48 IPP electricity generating plants comprising of 61 electricity generating units in South Sumatra. The total installed capacity of the South Sumatra grid is 6,189 MW, which includes 1,687 MW of contractual capacity from IPP generating plants. Peak demand in South Sumatra was 3,687 MW in 2017. Electricity generated in South Sumatra decreased by 1.2% to 19,477 GWh in 2017, compared to 20,014 GWh in 2016.

As of December 31, 2017, there were approximately 84 PLN electricity generating plants comprising of 360 electricity generating units and 27 IPP electricity generating plants comprising of 31 electricity generating units with a total installed capacity of 4,221 MW in North Sumatra which includes 1,038 MW of contractual capacity from IPP generating plants. Peak demand in North Sumatra was 2,209 MW in 2017. Electricity generated in North Sumatra increased by 6.6% to 17,869 GWh in 2017, compared to 14,711 GWh in 2016.

We operate fuel oil-fired, natural gas-fired, coal-fired, geothermal and hydroelectric electricity generating plants in South Sumatra and North Sumatra. Several of these plants are on Sumatra but are not connected to the grids. As part of the Fast Track Program II, we are mandated to complete one coal-fired, two hydroelectric and two geothermal electricity generating plants in Sumatra by 2024, adding 849 MW of capacity to the region.

Kalimantan

We have three grids in Kalimantan: (i) West Kalimantan; (ii) Central and South Kalimantan; and (iii) East Kalimantan. We are planning to interconnect the Central and South Kalimantan and East Kalimantan grids in 2018. As of December 31, 2017, we had approximately 3.7 million customers in Kalimantan.

As of December 31, 2017, we had 113 PLN electricity generating plants comprising of 312 electricity generating units and seven IPP electricity generating plants comprising of eight electricity generating units with an aggregate installed capacity of 694 MW in West Kalimantan, including 201 MW contractual capacity from IPP generating plants. Peak demand in West Kalimantan was 508 MW in 2017. Electricity generated in West Kalimantan increased by 5.1% to 2,683 GWh in 2017, compared to 2,552 GWh in 2016.

As of December 31, 2017, there were 138 PLN electricity generating plants comprising of 547 electricity generating units and 12 IPP electricity generating plants comprising of 12 electricity generating units with an installed capacity of 1,039 MW in Central and South Kalimantan, including 99 MW of contractual capacity from IPP generating plants. Peak demand in Central and South Kalimantan was 680 MW in 2017. Electricity generated in Central and South Kalimantan increased by 5.8% to 4,160 GWh in 2017, compared to 3,932 GWh in 2016.

As of December 31, 2017, there were 76 PLN electricity generating plants comprising of 434 electricity generating units and 20 IPP electricity generating plants comprising of 21 electricity generating units with a total installed capacity of 1,410 MW contractual capacity in East Kalimantan, including 522 MW of contractual capacity from IPP generating plants. Peak demand in East Kalimantan was 624 MW in 2017. Electricity generated in East Kalimantan increased by 11.5% to 3,684 GWh in 2017, compared to 3,303 GWh in 2016.

We operate only fuel oil-fired thermal plants and micro/mini hydroelectric plants in West Kalimantan and fuel oil-fired, natural gas-fired and coal-fired electricity generating plants in East Kalimantan. In Central and South Kalimantan, we operate fuel oil-fired thermal plants, coal-fired and hydroelectric electricity generating plants. As part of the Fast Track Program II, we are mandated to complete one coal-fired and one natural gas-fired electricity generating plants in Kalimantan by 2018, adding a further 380 MW of capacity to the region.

Sulawesi

In Sulawesi, we have two main grids: (i) North Sulawesi and (ii) South Sulawesi. We also have approximately 28 isolated grids in Sulawesi, with the eight biggest isolated grids having up to 290 MW of installed capacity. We are planning to interconnect the North Sulawesi and South Sulawesi grids in the future. As of December 31, 2017, we had approximately 4.2 million customers in Sulawesi.

As of December 31, 2017, there were 138 PLN electricity generating plants comprising of 538 electricity generating units and 15 IPP electricity generating plants comprising of 18 electricity generating units with a total contractual capacity of 1,169 MW in North Sulawesi, including 469 MW of contractual capacity from IPP generating plants. Peak demand in North Sulawesi was 1,014 MW in 2017. Electricity generated in North Sulawesi increased by 5.7% to 3,607 GWh in 2017, compared to 3,413 GWh in 2015.

As of December 31, 2017, there were 102 PLN electricity generating plants comprising of 387 electricity generating units and 17 IPP electricity generating plants comprising of 17 electricity generating units with a total installed capacity of 2,015 MW in South Sulawesi, including 846 MW of contractual capacity from IPP generating plants. Peak demand in South Sulawesi was 1,376 MW in 2017. Electricity generated in South Sulawesi decreased by 2.1% to 6,984 GWh in 2017, compared to 7,132 GWh in 2016.

We operate fuel oil-fired, geothermal and hydroelectric electricity generating plants in North Sulawesi and operate fuel oil-fired, natural gas-fired, geothermal and hydroelectric electricity generating plants in South Sulawesi. As part of the Fast Track Program I, we expect to complete four coal-fired electricity generating plants by 2019, adding 220 MW of capacity to the region. As part of the Fast Track Program II, we are mandated to complete one coal-fired and one geothermal electricity generating plants in Sulawesi by 2024, adding a further 280 MW of capacity to the region.

Other islands

We have a number of additional grids for other islands such as Bangka Belitung, West and East Nusa Tenggara, Maluku and Papua. As of December 31, 2017, we had approximately 3.7 million customers in these islands. As of December 31, 2017, there were approximately 2,062 electricity generating units with an installed capacity of 2,730 MW. Peak demand for these islands was 1,280 MW in 2017. Electricity generated in these islands increased by 5.1% to 6,619 GWh in 2017, compared to 5,450 GWh in 2016. As part of the Fast Track Program I, we expect to complete on the other islands of Indonesia nine coal-fired electricity generating plants by 2019, adding 274 MW of capacity to the region. As part of the Fast Track Program II, we are mandated to complete one coal-fired and two geothermal electricity generating plants on the other islands by 2021, adding a further 140 MW of capacity to the region.

Interconnection of Grids

We have undertaken several projects to interconnect our major transmission grid. Our Java-Bali grids use 150 kV submarine lines for interconnection, linking the islands of Java and Bali and we also plan to build 500 kV overhead lines in 2021 to strengthen and improve the reliability of the electricity system in Java-Bali. The North and South Sumatra interconnection project was completed in 2007 and the Sumatra region is expected to be ultimately covered under one grid. We also plan the interconnection of Central and South Kalimantan and East Kalimantan grids in 2018 and the Sumatra grids with the Java-Bali grid in 2026. On January 2016, we conducted electricity interconnection of the West Kalimantan, Indonesia — Sarawak, Malaysia electricity network as a part of a cooperation with the electricity company SESCO.

We signed an agreement with Sarawak Energi Berhad on September 5, 2012 regarding an interconnection project linking Sarawak, Malaysia and West Kalimantan and have been in operation since January 2016.

Fuel and Lubricants Expenses

Our fuel and lubricants expenses comprise costs for oil fuel such as high-speed diesel, marine fuel oil and intermediate diesel oil, non-oil fuel such as natural gas, coal, geothermal energy and hydroelectric power and lubricants.

The following table sets forth total operating expenses and fuel and lubricants expenses for the periods indicated:

	Year ended December 31,			
	2015	2016	2017 ⁽¹⁾	
	Rp.	Rp.	Rp.	U.S.\$ ⁽²⁾
	<i>(Rp. billions and U.S.\$ millions except percentages)</i>			
Total operating expenses	225,574	254,450	275,474	20,333
Fuel and lubricants expenses	138,408	109,492	116,948	8,632
Fuel and lubricants expenses as a per cent. of total operating expenses	61.4%	43.0%	42.5%	—

Notes:

- (1) Our audited consolidated statements of profit or loss and other comprehensive income for 2016 and 2017 are not directly comparable to our audited restated consolidated statements of profit or loss and other comprehensive income for 2015 due to a change in accounting policy. In 2016, we ceased applying the provisions of ISFAS 8, in accordance with SFAS 30 (revised 2011) “Leases”, applicable to our IPP Power Supply Contracts in accordance with OJK’s Regulation No. 6 and IFAS whereas these provisions were applied to our IPP Power Supply Contracts in 2015. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations— Restatement of Prior Years’ Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Changes in Accounting Policies.*”
- (2) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “*Exchange Rates*” for further information about exchange rates and recent fluctuations in exchange rates.

Our fuel and non-fuel expenses include expenses in respect of our IPP Power Supply Contracts. The IPP Power Supply Contracts provide for the reimbursement of these fuel and non-fuel expenses by us. Although we have some involvement in the negotiation of the fuel supply agreements between the IPPs and third party suppliers and although the IPP Power Supply Contracts generally provide for certain fuel efficiency targets to be achieved by the IPPs, we otherwise have limited control over these fuel prices, the volumes of fuel used by the IPPs and the performance of the IPPs and the relevant suppliers under these fuel supply agreements. The following table sets forth the amount of fuel and non-fuel expenses we have recognized in respect of our IPP Power Supply Contracts:

	Year ended December 31,			
	2015	2016	2017	2017
	Rp.	Rp.	Rp.	U.S.\$ ⁽¹⁾
	<i>(Rp. billions and U.S.\$ millions)</i>			
Fuel oil	36,167	24,057	23,316	1,721
Natural gas	51,668	51,080	47,604	3,131
Coal	45,078	30,901	42,416	3,512
Geothermal	4,899	2,834	3,022	223
Water	309	323	325	24
Lubricants	286	297	264	20
Total	<u>138,408</u>	<u>109,492</u>	<u>116,948</u>	<u>8,632</u>

Note:

- (1) Solely for the convenience of the reader, Rupiah amounts as of and for the year ended December 31, 2017 have been translated into U.S. dollar amounts at the exchange rate of Rp.13,548 = 1.00 U.S.\$. See “*Exchange Rates*” for further information about exchange rates and recent fluctuations in exchange rates.

Fuel and lubricants expenses as a percentage of total operating expenses decreased by an average of 5.4% from 61.4% in 2015 to 43.0% in 2016, mainly due to lower fuel prices and a shift from fuel oil to gas and coal. Fuel and lubricants expenses as a percentage of total operating expenses decreased to an average of 1.3% in 2017 mainly due to lower fuel prices and a shift from fuel oil to gas and coal.

The following table sets forth our average fuel prices for the types of fuel and the periods indicated (excluding fuel and non-fuel expenses we recognize in respect of our IPP Power Supply Contracts):

	Year ended December 31,		
	2015	2016	2017
High-speed diesel (Rp./liter).....	6,951	5,507	6,206
Marine fuel oil (RP/liter)	5,087	3,770	4,926
Intermediate diesel fuel (Rp./Liter)	6,400	4,716	6,142
Natural gas (Rp./MSCF)(1)	105,918	101,123	106,480
Coal (Rp./kg)	662	611	832

Note:

(1) metric standard cubic feet.

The following table sets forth our fuel costs of electricity production using fuel oil, natural gas, coal and geothermal energy (excluding fuel and non-fuel expenses we recognize in respect of our IPP Power Supply Contracts):

	Year ended December 31,		
	2015	2016	2017
Fuel oil	1,829	1,473	1,797
Natural gas.....	941	896	935
Coal	357	329	419
Geothermal.....	743	716	738

Prices for natural gas and geothermal energy are denominated in U.S. dollars and other fuel is denominated in Rupiah and linked to prevailing U.S. dollar prices. Accordingly, a significant portion of our fuel and lubricants expenses is subject to fluctuations in the Rupiah-U.S. dollar exchange rate. We plan to reduce the impact of exchange rate fluctuations to our fuel and lubricants expenses by further expanding our utilization of coal-fired electricity generating plants. See “*Risk Factors — Risks Relating to our Business and Operations — Depreciation in the value of the Rupiah may have a material adverse effect on our business, financial condition or results of operations and our ability to make payments under the Notes.*”

To further minimize our fuel and lubricants expenses and to promote efficient use of our generation facilities, we endeavor to use plants with lower production costs to generate electricity during periods of low demand. We have also implemented a policy of shutting down our fuel oil-fired and combined-cycle electricity generating plants on Saturdays and Sundays to assist in supply-side management. In addition, we have made adjustments to our reserve requirements for our power system operations (for example, not maintaining a large power plant’s reserve capacity) in order to reduce our fuel costs. The order in which each type of our electricity generating plants is used is also affected by natural factors (for example, the level of water in lakes, rivers and reservoirs used by hydroelectric plants), system failures and forced outages.

Starting in 2015, PLN has implemented currency hedging policy according to Bank Indonesia Regulation (PBI No.16/21/PBI/2014 on Application of Precautionary Principle in the Management of Foreign Debt for Corporation Nonbank, as amended by PBI No. 18/4/PBI/2016). As of the date hereof, the minimum hedging ratio is 25% of the negative difference between total foreign currency assets and total foreign currency liabilities which will be due (i) within three months after the end of each quarter and (ii) between three months and six months after the end of each quarter. Since January 1, 2017, the hedging requirement transactions must be satisfied through Indonesian banks. Exemption is given to non-bank companies (i) that maintain their financial statements in United States dollars, (ii) that had an export income ratio of more than 50% in the previous year; and (iii) have been approved by the MOF to record their books in United States dollars. Non-bank companies that receive an offshore loan in foreign currency are required to have current foreign currency assets equal to 70% of their current foreign currency liabilities that are due up to 3 months after the end of a quarter.

PLN engages with local state-owned banks for the implementation of hedging transactions and to maintain access to foreign currencies in connection these hedging transactions.

Fuel and Lubricants Supplies

We rely on various fuel and lubricants suppliers for our requirements with respect to different kinds of fuel and lubricants, such as fuel oil, natural gas, coal and geothermal energy. In recent years, our fuel strategy has been to reduce our dependence on fuel oil and to increase our usage of other types of non-fuel oil such as coal and natural gas. For the year ended December 31, 2017, our fuel generation mix (expressed in terms of the percentage of total kilowatt hours generated by each fuel source and excluding fuel and non-fuel expenses we recognize in respect of our IPP Power Supply Contracts) was 6.6% for fuel oil, 27.9% for natural gas, 55.9% for coal, 2.3% for geothermal energy and 6.8% for hydroelectric. In the future, we plan to increase our use of coal, natural gas and geothermal energy to generate electricity.

We expect to have substantially completed the building and construction of all plants under the 35,000 MW Program by 2021, which we are targeting to utilize a fuel mix as set forth in the following table:

Fuel type	Fuel mix ⁽¹⁾⁽²⁾ (%)
Fuel Oil.....	0.4
Natural gas	21.8
Coal	64.8
Geothermal	6.2
Hydroelectric power	6.2
Others.....	0.8
Total	100

Notes:

- (1) Fuel mix figures above are only targets as at December 31, 2017 for 2024, which are subject to changes and uncertainties as described elsewhere in this Offering Memorandum. See “*Risk Factors*” and “*Forward-Looking Statements and Associated Risks*.”
- (2) Excludes consumption by IPPs

Fuel oil

For the year ended December 31, 2016, we purchased approximately 92.1%, 4.8%, and 3.2% of our fuel oil from Pertamina, AKR and KPM, respectively. For the year ended December 31, 2017, we purchased approximated 88.5% (3,184 million liters), 4.8% (174 million liters), and 6.6% (239 million liters) of our fuel oil from Pertamina, AKR and KPM, respectively. Pertamina is our main supplier of

fuel oil. On May 16, 2007, we entered into the 2007 Pertamina Agreement, which was effective from January 1, 2007 until December 31, 2015 and has been amended in 2009, 2010, 2011 and 2017, extending its expiry date to December 31, 2020. The fuel oil prices under the Pertamina Agreement are based on MOPS. The agreed price of high-speed diesel is MOPS plus a margin of 7% for January 1, 2016 to December 31, 2016, MOPS plus a margin of 7% for January 1, 2017 to June 30, 2017 and MOPS plus a margin of 4.58% for July 1, 2017 to December 31, 2017. Thereafter, under the terms of the Pertamina Agreement, we will negotiate and finalize the price of fuel oil with Pertamina at least in November before the beginning of the following year. If we do not come to an agreement on the fuel oil price, it will remain the same as the previous year and adjustments will be made when a new price is agreed. The contractual fuel purchase price from Pertamina for 2018 to 2020 has not been agreed and, consequently, we determine a temporary price on a monthly basis with reference to MOPS. However, no interruption in supply from Pertamina is expected because the supply has been secured until 2020 on the basis of this temporary price. See *“Risk Factors — Risks Relating to our Business and Operations — We may not be able to successfully negotiate favorable fuel prices with Pertamina, our primary supplier of fuel oil.”* Our fuel oil price under this contract is calculated in U.S. dollars at the U.S. market rate, which we pay in Rupiah. Accordingly, fluctuations in the Rupiah-U.S. dollar exchange will have an impact on our fuel oil prices. See *“Risk Factors — Risks Relating to our Business and Operations — Depreciation in the value of the Rupiah may have a material adverse effect on our business, financial condition or results of operations and our ability to make payments under the Notes.”*

On February 21, 2013, we entered into a supply agreement with KPM for the supply of an annual volume of up to 250 million liters of high-speed diesel for three years, which has been used for operations at our electricity generating plant at PLTGU Belawan in Sicanang, Medan. This agreement has been extended for another three years with a repeat order until 2019.

On April 15, 2014, we entered into a supply agreement with AKR for the supply of an annual volume of up to 150 million liters of high speed diesel for three years, which has been used for operations at our electricity generating plant at PLTD Siantan, PLTD Sei Raya PLTD Sanggau, and PLTD Ketapang, Pontianak. This agreement has been extended for another three years with a repeat order until 2019.

On September 3, 2014, we entered into a supply agreement with KPM for the supply of an annual volume of up to 250 million liters of high-speed diesel for three years, which has been used for operations at our electricity generating plant at PLTGU Belawan in Sicanang, Medan. On July 14, 2016, we entered into a supply agreement with KPM for the supply of an annual volume of up to 750 million liters of high speed diesel for three years, which has been used for operations at our electricity generating plant at PLTGU Belawan in Sicanang, Medan.

On February 23, 2016, we entered into a supply agreement with AKR for the supply of an annual volume of up to 150 million liters of high speed diesel for three years, which has been used for operations at our electricity generating plant at PLTD Siantan, PLTD Sei Raya PLTD Sanggau, and PLTD Ketapang, Pontianak.

On May 26, 2017, we entered into a supply agreement with KPM for the supply of an annual volume of up to 450 thousand liters of high speed diesel for three years, which has been used for operations at our electricity generating plant at Tanjung Batu.

On August 18, 2017, we entered into a supply agreement with KPM for the supply of an annual volume of up to 120 thousand liters of high speed diesel for three years, which has been used for operations at our electricity generating plants at PLTD Padang, PLTD Pilang, PLTD Seliu, PLTD Selat Nasik, PLTD Merawang, PLTD Air Anyir, MPP Bangka and MPP Belitung.

Pertamina mainly relies on third-party transportation companies utilizing trucks and shipping vessels for transporting the fuel oil to us. Some contracts with AKR and KPM have been extended using a repeat order scheme, which allows an extension of the contract period without changing conditions

relating to price and volume. We are also planning to secure our fuel supply through a fuel bidding process in order to secure lower fuel supply prices and to improve efficiency. The planned bidding process also involves Free on Board scheme which shifts risk of loss during transportation from the shipping points to the power plant sites, thereby reducing our risk of loss.

Natural gas

Our annual total natural gas consumption was approximately 456.5 TBtu, 505.1 TBtu and 447.1 TBtu in the years ended December 31, 2015, 2016 and 2017, respectively. Our total natural gas-fired electricity plant capacity was 12,826 MW as of December 31, 2017.

Our key suppliers of natural gas are PGN, PT Pertamina, PT Pertamina Eksplorasi dan Produksi, China National Offshore Oil Corporation, PT Pertamina Hulu Energi Offshore North West Jawa, PT Nusantara Regas, PT Pertamina Hulu Energi West Madura Offshore and Kangean Energy Indonesia (KEI). Our natural gas supply contracts are take-or-pay with escalation contracts, with the supplier agreeing to supply us with natural gas on a best efforts basis. In general, these contracts are for durations of between two and 19 years and expire between 2018 and 2034. Our natural gas suppliers provide direct pipelines to seven of our electricity generating plants.

In addition, since May 2012, PLN has received processed LNG from FSRU West Jawa operated by NR with average supply of around 217 BBTUD in 2016.

During 2003 to 2016, we have faced a shortage of natural gas supply which has caused us to shut down certain electricity generating plants and to utilize oil for certain dual-fired electricity generating plants. Since the LNG regasification terminal at Arun operated by Perta Arun Gas commenced operation in March 2015, we have received LNG from this facility at an average of approximately 111 BBTUD to PLTMG Arun 184 MW, PLTGU Belawan 750 MW and MPP Paya Pasir 83 MW. In February 2015, our PLTGU Tambak Lorok 1,034 MW also started to receive gas from Petronas Carigali Muriah Ltd. at an average of 116 BBTUD. The Government has provided additional 40 BBTUD in 2016 to the Badak export manifold main pipe, which is approximately 55 km away from our electricity generating plant in PLTG Tanjung Batu. We are in the process of procuring a dedicated pipeline to the Badak export manifold main pipe to alleviate the shortage. Since then, shortage of gas supply has been kept to a minimum, and has been limited only in East Kalimantan region. See *“Risk Factors — Risks Relating to our Business and Operations — We may not be able to secure sufficient supplies of natural gas or coal, which could adversely affect our business.”*

Our major natural gas-fired electricity generating plants comprise Tanjung Priok (1,957 MW), Gresik (1,579 MW), Grati (764 MW) and Muara Karang (1,662 MW), Muara Tawar (2,005 MW), Tambak Lorok (1,034 MW) and Cilegon (740 MW).

Coal

Our annual total coal consumption (excluding consumption by IPPs) was approximately 49.0 million tons, 50.5 million tons and 54.6 million tons in the years ended December 31, 2015, 2016 and 2017, respectively. Our total coal-fired plant capacity (including IPP plant capacity and excess power) was 19,585 MW as of December 31, 2017. Most of our coal supplies have historically been obtained from Indonesia. They are purchased under long-term contracts and the balance are purchased under spot or option contracts. In the year ended December 31, 2017, there were no spot purchases of coal. We consider a number of factors in selecting coal suppliers, including the suitability of the coal quality to the boiler design, security of supply, cost and diversification by port and mine.

Our key suppliers of coal include PT Arutmin Indonesia; PT Bukit Asam; PT Adaro Indonesia; PT PLN Batubara; PT Kaltim Prima Coal; and PT Kideco Jaya Agung. In general, our coal supply contracts are fixed-volume contracts that expire between 2018 and 2032. Our agreement with PT Adaro Indonesia is valid until 2022 (and is possible to be renewed until 2023, if PT Adaro Indonesia obtains an extension to its Coal Contract of Work). As of the date of this Offering Memorandum, we have secured

100.0% of our projected coal requirements under the Fast Track Program I through such coal supply contracts. We are currently in the process of negotiating our coal supply contracts for the Fast Track Program II and 35,000 MW Program. Our suppliers mainly rely on railroad, trucking, other motor vehicles and shipping vessels for transporting the coal to us. Furthermore, to secure the sustainability of our coal supply for power generation, we have utilized certain of our subsidiaries such as PT PLN Batubara as a coal supplier and PT Bahtera Adiguna as a coal transporter.

In relation to coal price, the Government recently issued Government Regulation No. 8 of 2018 as the Fifth Amendment to Government Regulation No. 23 of 2010 on Implementation of Mineral and Coal Mining Business Activities (“GR 8”). GR 8 added new provisions in which the MEMR determines its own coal price in the framework of meeting the needs of coal supply for the interests of the domestic Indonesian market. As an implementing regulation of GR 8, MEMR issued MEMR Decree No. 1395 K/30/MEM/2018 on Coal Price for Electricity Supply for Public Interest, as amended by MEMR Decree No. 1410 K/30/MEM/2018. MEMR determined that the selling price of coal for domestic coal-fired power plants is U.S.\$70 per ton for calorific value of 6.322 GAR or calculated using the Coal Reference Price (“HBA”) if the HBA is below U.S.\$70 per ton. Where coal has a different calorific value, the coal price is to be calculated by converting to the coal price at 6.322 GAR calorific value in accordance with applicable provisions. MEMR also determined a maximum volume of coal purchases for the power plant of 100 million tons per year or otherwise in accordance with the need for coal for power generation. Therefore, the impact of coal price volatility is minimized if the HBA exceeds U.S.\$70 per ton.

Our major coal-fired plants are Suralaya (3,400 MW), Tanjung Jati B (2,840 MW), Pelabuhan Ratu (1,050 MW), Indramayu (990 MW), Teluk Naga (945 MW), and Paiton (800 MW). The coal requirement for Suralaya for 2015, 2016 and 2017 was 12.2 million tons, 11.6 million tons and 12.4 million tons, respectively. The coal requirement for Tanjung Jati B for 2015, 2016 and 2017 was 7.4 million tons, 7.2 million tons and 7.7 million tons, respectively. The coal requirement for Pelabuhan Ratu for 2015, 2016 and 2017 was 2.6 million tons, 2.2 million tons and 3.1 million tons, respectively. The coal requirement for Indramayu for 2015, 2016 and 2017 was 2.7 million tons, 2.6 million tons and 3.4 million tons, respectively. The coal requirement for Teluk Naga for 2015, 2016 and 2017 was 2.4 million tons, 3.2 million tons and 3.2 million tons, respectively. The coal requirement for Paiton for 2015, 2016 and 2017 was 2.6 million tons, 2.4 million tons and 2.7 million tons, respectively.

Geothermal energy

Our annual total geothermal generation was approximately 4,392 GWh, 3,959 GWh and 4,341 GWh in the years ended December 31, 2015, 2016 and 2017, respectively. Our total geothermal plant capacity was 551 MW as of December 31, 2017.

We have entered into an agreement with Pertamina for the procurement and supply of geothermal power to Lahendong for 30 years until 2040, to Hululais for 30 years after target completion in 2020, to Sungai Penuh for 30 years after target completion in 2022, to Kamojang for 25 years until 2041, to Ulubelu for 30 years until 2042 and to Gunung Salak and Drajat electricity generating plants for 30 years until 2040 and 2047. We also entered an agreement with Pertamina to extend the procurement and supply of geothermal steam to the Kamojang electricity generating plants for 25 years starting on January 1, 2016. These agreements are take-or-pay contracts. In general, we are required to take or pay for geothermal energy to run the plants at between 80.0% and 95.0% of the installed plant capacity. Our geothermal plants operated at an average capacity of 91.0% in 2015, 82.0% in 2016 and 84.9% in 2017.

We have developed our own geothermal project (steam and power plant) in Ulumbu (10 MW of installed capacity, with planned capacity of up to 40 MW) and Mataloko (1.5 MW of installed capacity, with planned capacity of up to 20 MW). Currently, we are developing our own geothermal projects in Tulehu (20 MW of planned capacity). In addition, we are seeking the assignment from MEMR to develop some new geothermal area.

Our major geothermal electricity generating plants comprise Gunung Salak (165 MW), Kamojang (140 MW), Drajat (55 MW) and Ulubelu (10 MW).

Hydroelectric power

As of December 31, 2017, we maintained 96 hydroelectric generating plants across Indonesia. As of December 31, 2017, the total generating capacity of our hydroelectric generating plants was 3,584 MW. Our annual total hydroelectric generation was approximately 10,005 GWh, 13,886 GWh and 12,425 GWh in the years ended December 31, 2015, 2016 and 2017, respectively.

As at December 31, 2017, major hydroelectric generating plants comprise Saguling (700 MW), Cirata (1,008 MW), Musi (210 MW) and Mrica (180 MW).

The Transmission System

We are currently the major provider of power transmission in Indonesia. We own the transmission lines and switching substations through which we deliver electricity to customers. Our transmission system runs throughout the five most populated islands in Indonesia, namely, Java, Bali, Sulawesi, Sumatra and Kalimantan, connecting our power stations to our major load centers. The main voltage levels of our transmission grid are 500 kV, 275 kV, 150 kV and 70 kV. Our transmission network within Indonesia as of December 31, 2017 comprised:

- 500 kV interconnected transmission system with 5,074 kilometers-circuits;
- 275 kV transmission system with 2,889 kilometers-circuits;
- 150 kV transmission system with 35,802 kilometers-circuits;
- up to 70 kV transmission system with 5,136 kilometers-circuits; and
- transformer capacity of 115,970 MVA.

We completed the 500 kV interconnected transmission system for the southern part of Java in August 2006. The operation of the southern part of 500 kV transmission lines in the Java-Bali grid has significantly enhanced our ability to transfer lower-cost energy (for example, from coal) from East Java to Central and West Java. We completed the 500 kV interconnected transmission system for the Tasik-Depok grid in 2009. The interconnection of the Tasik-Depok grid enhanced our ability to transfer energy to Jakarta, improving the reliability of our service.

The following table sets forth our transmission lines length and transformer capacity for the periods indicated:

	Year ended December 31,		
	2015	2016	2017
Transmission lines length (kmc)	41,683	44,065	48,901
Transformer capacity (MVA)	92,651	98,898	115,970

Due to the increasing levels of electricity consumption in Indonesia over the past several years, we have been required to continuously expand and enhance our transmission and distribution systems. For a description of our capital expenditure program in coming years, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditures and Contractual Commitments.*”

We have completed transmission lines comprising 3,587 kilometer-circuits as part of the Fast Track Program I as of December 31, 2017. We expect to build new transmission lines to support the development of electricity generating plants as part of the Fast Track Programs.

Interconnection Projects

We have undertaken several recent projects to interconnect our separate transmission networks in various regions of Indonesia. The following table sets forth the completion or expected completion date for these projects:

Interconnection Project	Completion date or expected completion date
Jawa-Bali Crossing 500 kV	2021
Sumatra and Jawa-Bali Interconnection (HVDC)	2026

Our Jawa-Bali interconnection uses four circuits of 150 kV submarine cables with thermal capacity of 400 MW, which capacity is currently limited to 340 MW due to a bottleneck problem and low voltage on Java’s side. Additional power supply is available in Bali from the Coal Fired Power Plant Celukan Bawang (380 MW), Pesanggaran (112 MW), Gilimanuk (130 MW), Pemaron (80 MW), Pesanggaran BOO (10 MW), Pesanggaran BOT (50 MW) and Pesanggaran Gas Diesel (200 MW). Gilimanuk’s and Pemaron’s operations are limited due to oil consumption limitations.

The Jawa-Bali Crossing project is a long term strategic project aimed at providing an adequate and reliable electricity supply to Bali in order to meet the increasing electricity demand in Bali, to reduce oil consumption, and to meet the government of Bali’s vision of “clean-and-green.” The project consists of a 500 kV transmission line development from Paiton to Antosari substation in Bali for 230 kilometers. The construction consists of:

- (A) the extension of the Paiton 500 kV substation;
 - (B) the construction of 500 kV overhead line from Paiton to Watudodol (Java Side);
 - (C) the “long-span-transmission” construction of a 500 kV Crossing Tower up to 376 meters tall and spanning 276 kilometers between Java and Bali;
 - (D) the construction of 500 kV overhead line from Segararupek to Gilimanuk (Bali Side);
 - (E) the construction of 500 kV overhead line from Gilimanuk to Antosari (Bali Side); and
 - (F) the New Antosari 500 kV Substation with related 150 kV substation.
- The North and South Sumatra interconnection project was completed in 2007 and the Sumatra region is expected to be ultimately covered under one grid. This project will enable customers of North Sumatra to use excess power from the South Sumatra power grid. This interconnection project uses 100 kilometers of 150 kV overhead transmission lines with a capacity of 139 MVA at an estimated cost of U.S.\$8.2 million. We expect to increase this transmission to 275 kV using approximately 4,630 kilometers-circuits of overhead transmission lines and substations with a total capacity of 12,000 MVA in stages from 2017 to 2019. We also plan to build 500kV transmission lines using approximately 2,120 kilometers-circuits with a total capacity of 2,500 MVA in stages from 2017 to 2021.
 - The transmission development in Sumatra will form the 500 kV backbone transmission which will unify Sumatra’s interconnection system in the east corridor, where the big-scale plants in

Sumatra will be connected to the 500 kV transmission system. This transmission development will allow the transfer of electricity from the power plants in regions rich in primary energy sources (Southern Sumatra to Riau) to regions with poor primary energy sources (Northern Sumatra).

- The interconnection of Central and South Kalimantan and East Kalimantan grids is under construction and is scheduled for completion at the end of 2018. This project is expected to enable customers of East Kalimantan to use excess power from the Central and South Kalimantan power grid. This interconnection project is expected to use 377 kilometers of 150 kV overhead transmission lines with a capacity of 275 MVA at an estimated cost of U.S.\$42.6 million.
- We are also planning the interconnection of the Sumatra grids with the Java-Bali grid by 2026. We completed certain studies in 1984 and the feasibility study on this project in 2007. This project is expected to utilize the significant supply of low rank coal in South Sumatra and to deliver electricity to the high demand load in the Jawa-Bali system. We also completed the basic engineering design, technical specification and bid documents in 2008. We have also conducted engineering services such as the design review on this project. Based on our reassessment study and fluctuation in the price of low rank coal, this project is designed for the power sharing between the Sumatra System and the Jawa-Bali System in order to increase reliability and operational efficiency.
- The Sumatra Jawa Interconnection is expected to use 40 kilometers of HVDC submarine cable and 746 kilometers of HVDC/HVAC overhead lines with a capacity of 3,000 MW at an estimated cost of U.S.\$2,300 million. The project was funded by JICA, to finance both engineering service and construction project costs. Construction of the project is planned in four stages. We have partially completed some of the land acquisition process and a number of construction stages are under procurement process.
- We entered into a PPA with Syarikat SESCO Berhad, a wholly owned subsidiary of Sarawak Energi Berhad on September 5, 2012 with a term of 20 years. We expect to purchase energy from this project for the first five years of the contract, with most of the energy to be provided by the Bakun hydroelectricity generating plant in Sarawak. Thereafter, either party will be able to buy or sell the energy from this project. This interconnection project is expected to use 125 kilometers of 275 kV overhead transmission lines with a capacity of 230 MW at an estimated cost of U.S.\$105 million. This interconnection has been in operation since January 2016.

Transmission Projects

In 2017, we completed construction of the following transmission projects:

- 580.2 kilometers-circuits of 70 kV, 150 kV and 500 kV transmission lines and 6,247 MVA substations in Java-Bali;
- 2586.3 kilometers-circuits of 70 kV, 150 kV and 275 kV transmission lines and 1,985 MVA substations in Sumatra;
- 850.7 kilometers-circuits of 150 kV and 275 kV lines and 721 MVA substations in Kalimantan; and
- 462.6 kilometers-circuits of 70kv, 150 kV and 275 kV lines and 323 MVA substations in Sulawesi-Nusa Tenggara.

As of the date of the Offering Memorandum, the following transmission projects are under construction:

- New Aurduri — Peranap — Perawang 500 kV Overhead Transmission Line Project in Sumatra;
- Galang — Simangkuk 275 kV Overhead Transmission Line Project in Sumatra;
- Duri Kosambi — Muara Karang 500 kV Overhead Transmission Line Project in Java;
- Semanggi Barat — Mampang 150 kV Underground Cable (UGC) Project in Java; and
- Central Java — West Java 500 kV Overhead Transmission Line Project in Java.

The Distribution System

We are currently the major distributor of electricity to customers in Indonesia. Our distribution system operates at voltages of 20 kV and below and connects to the transmission grid at 150 kV or 70 kV. Our distribution system supplies electricity to almost all of our large customers at 20 kV, 70 kV and 150 kV and to smaller customers at 380 V and 220 V. As of December 31, 2017, we supplied electricity to approximately 240,247 large industrial and business customers with capacity of 200 kVA to 20,000 kVA. In addition, we had approximately 93 large (more than 30,000 kVA) industrial customers connected directly to our grid at 70 kV and 150 kV.

As of December 31, 2017, we had approximately 463,655 distribution transformers. The following table sets forth details of our distribution lines and transformer capacity for the periods indicated:

	Year ended December 31,		
	2015	2016	2017
Mid-voltage network length (kilometers-circuits).....	342,979	359,747	401,959
Low-voltage network length (kilometers-circuits).....	500,119	527,494	626,720
Distribution transformer capacity (MVA).....	47,129	50,099	60,100

Distribution Projects

Outside Java-Bali, we are constructing distribution lines covering 6 regions for medium-voltage lines of 11,059 kilometers-circuits and low-voltage lines of 11,046 kilometers-circuits. We are also building distribution substations with a total capacity of 1,473 MVA. In Java-Bali, we are constructing distribution lines for medium-voltage lines of 5,709 kilometers-circuits and low-voltage lines of 5,586 kilometers-circuits and distribution substations with a total capacity of 1,495 MVA.

Power Interruption and System Loss

We have experienced difficulties from time to time in ensuring a consistent quality of supply to customers. Customers have, for example, occasionally experienced power interruptions (comprising both line and transformer trippings) and power surges. We have introduced a number of measures to improve the quality of electricity supply, including measures to minimize interruptions such as improved line maintenance by implementing live-line maintenance. The SAIDI and SAIFI for the year ended December 31, 2017 were 19.3 hours/customer/year and 12.7 times/customer/year, respectively, compared to 25.5 hours/customer/year and 15.1 times/customer/year, respectively, for the year ended December 31, 2016. Our SAIDI and SAIFI decreased in 2017 because we experienced fewer blackouts due to improvements in our electricity reliability system.

Transmission losses in the year ended December 31, 2017 remained relatively constant at 2.4% (as a percentage of net electricity generation (gross generation less auxiliary use)) compared to 2.3% in the year ended December 31, 2016. Distribution loss in the year ended December 31, 2017 was 6.5% (as

a percentage of electricity generation (gross generation less auxiliary use)) compared to 7.2% in the year ended December 31, 2016. See “*Risk Factors — Risks Relating to our Business and Operations — Our business is subject to operational risks such as network loss and electricity theft and force majeure.*”

We estimate that most of our transmission and distribution loss is technical loss or loss due to a failure in materials (including the failure of third-party materials), with a small portion of the loss attributable to unmetered usage at substations, pilferage and theft of structural components from power stations.

The following table sets forth certain information with respect to our performance measures for the periods indicated:

	Year ended December 31,		
	2015	2016	2017
Equivalent forced outage rate (%) ⁽¹⁾	8.56	7.73	5.0
Capacity factor (%)	50.53	53.57	49.42
Transmission and distribution losses (%)	9.8	9.5	8.8
Distribution losses (%)	7.6	7.2	6.5
Transmission losses (%)	2.3	2.3	2.4
SAIFI (frequency/customer)	6.0	15.1	12.7
SAIDI (hour/customer)	5.3	25.5	19.3
Number of customers per employee	1,285	1,245	1,492

Note:

(1) Java-Bali only. As of December 31, 2017, the integrated interconnection system which provides this data has been completed only in Java-Bali.

We attribute technical loss of electricity in our distribution network to high loads, low-power factors, remote locations of generating units from load centers, and transformations of electricity to appropriate voltages for consumption. We intend to continue reducing the rate of technical loss by installing more distribution and transmission equipment, including reactive power compensation equipment in substations to improve the overall power factor, and by progressively phasing out intermediate voltages to reduce the number of transformations required.

We have installed automatic meter reading for most of our high and medium-voltage customers and large low-voltage customers (under 200 kVA) in order to reduce theft of electricity. We also conduct periodical checks for pilferage. We have in the past pursued, and intend to continue pursuing in the future, legal remedies to deter pilferage, including disconnection of electricity supply to parties suspected of pilferage.

Sales and Customer Base

We supplied electricity to approximately 61.2 million, 64.3 million and 68.1 million customers as of December 31, 2015, 2016 and 2017, respectively.

Our customers can be broadly classified, based on tariff category, as residential, business, industry and public (which consists primarily of government buildings, schools and hospitals). The following table sets forth the consumption of electricity by class of customer for each of the periods indicated:

Customer classification/% of Total	Year ended December 31,		
	2015	2016	2017
	<i>(GWh except percentages)</i>		
Residential	88,683	93,635	94,457
% of Total.....	43.7	43.3	42.3
Business.....	36,978	40,074	41,695
% of Total.....	18.2	18.6	18.7
Industry	64,079	68,145	72,238
% of Total.....	31.6	31.5	32.4
Public	13,106	14,150	14,743
% of Total.....	6.5	6.6	6.6
Total	<u>202,846</u>	<u>216,004</u>	<u>223,134</u>

As a result of continued economic improvement in Indonesia, our sales to all of our customer groups increased to higher levels in 2017, as compared to the two preceding years.

The following table sets forth electricity sales by customer category for each of the periods indicated:

Customer classification	Year ended December 31,		
	2015	2016	2017
	<i>(Rp. billions except percentages)</i>		
Residential	74,228	79,002	99,747
% of Total.....	35.4	36.9	40.5
Business.....	47,486	48,136	51,936
% of Total.....	22.6	22.5	21.1
Industry	73,225	71,676	78,653
% of Total.....	34.9	33.5	31.9
Public	14,906	15,326	16,251
% of Total.....	7.1	7.2	6.6
Total	<u>209,845</u>	<u>214,140</u>	<u>246,587</u>

Residential Customers

A residential customer is defined as a customer occupying a private dwelling which is not used as a hotel or for the purpose of carrying out any business, trade, profession or service. Electricity sales to residential customers in Indonesia have continued to increase in recent years due to rising affluence and urbanization of the Indonesian population. Electricity sales to residential customers (measured in kilowatt hours) increased by 34.4% during the period from 2015 to 2017. As of December 31, 2017, we estimate that approximately 95.07% of Indonesian households had access to electricity.

Industrial Customers

Our ten largest industrial customers accounted for 6,008 GWh in the year ended December 31, 2017, equivalent to approximately 2.69% of total electricity sales in Indonesia during the period. Cement, chemical, steel, utilities and other industries accounted for approximately 1.13%, 0.81%, 0.48%, 0.27% and 29.68%, respectively, of total sales in GWh.

The following table sets forth the breakdown of average monthly sales to our ten largest industrial customers for each of the years ended December 31, 2015, 2016 and 2017:

Year ended December 31, 2015				Year ended December 31, 2016				Year ended December 31, 2017			
Customer	Industry	Sales	Sales	Customer	Industry	Sales	Sales	Customer	Industry	Sales	Sales
		<i>(Rp. billions)</i>				<i>(Rp. billions)</i>				<i>(Rp. billions)</i>	
		<i>(MW/i)</i>				<i>(MW/i)</i>				<i>(MW/i)</i>	
Customer A	Chemical	69,754	73	Customer A	Cement	68,631	66	Customer A	Chemical	73,064	72
Customer B	Cement	67,097	70	Customer B	Chemical	65,662	64	Customer B	Cement	65,808	65
Customer C	Cement	55,192	58	Customer C	Cement	54,552	53	Customer C	Utilities	50,133	52
Customer D	Cement	52,000	54	Customer D	Cement	50,587	49	Customer D	Cement	50,833	51
Customer E	Cement	44,223	46	Customer E	Cement	46,914	45	Customer E	Cement	49,595	49
	Steel										
Customer F	Industrial	36,010	38	Customer F	Utilities	46,532	46	Customer F	Steel	45,084	45
Customer G	Area	34,181	36	Customer G	Steel	45,329	44	Customer G	Cement	44,756	45
Customer H	Chemical	33,806	35	Customer H	Chemical	36,483	36	Customer H	Steel	43,980	44
Customer I	Chemical	25,724	30	Customer I	Chemical	33,718	33	Customer I	Chemical	41,669	41
Customer J	Paper	23,733	25	Customer J	Steel	33,094	32	Customer J	Chemical	35,749	36
Total		<u>441,720</u>	<u>465</u>	Total		<u>481,513</u>	<u>468</u>	Total		<u>500,67</u>	<u>499</u>

Business Customers

Business customers are defined as customers occupying an office building, shopping mall, shop, restaurant, hotel or port. Electricity sales to business customers (measured in kilowatt hours) grew by 15.93% during the period from 2015 to 2017.

Public Customers

Sales to public customers include electricity sold to customers who use electricity for government buildings, public street lights, schools and hospitals. Electricity sales to these customers (measured in kilowatt hours) increased by 4.43% during the period from 2015 to 2017.

Customer Information and Settlement Services

A large portion of our branch offices provide call management services to allow our customers to call to report any difficulties such as power interruptions. We provide a common telephone number (“123”) for customers nationwide to call in at the cost of a local telephone call. A number of local banks offer bill settlement facilities, for example through automatic teller machines, for our charges. We also provide billing information to customers via short message service and our website.

We provide customer service information and the ability to report difficulties via our website. For example, our website has a frequently asked questions section. We also provide customers with information via our website about our system performance to allow customers to better plan their usage of electricity and to have knowledge about peak periods and system outages. We also provide statistics about usage on a periodic basis (such as on an annual basis) on our website.

In 2004, we introduced a feature to our customer billing system which allows us to collect additional information from our major customers which has improved the accuracy of our meter-reading capabilities.

We typically use a standard power supply sales contract. The contract permits us to change the amount of power we must supply by an addendum to the contract. We bill customers on a monthly basis and require payment within 20 days. The majority of our customers pay within this period. We penalize late payments by charging a penalty fee and, ultimately, by disconnecting the defaulting customer’s power supply.

In 2010, we introduced a pre-paid billing system through which our new customers can purchase electricity using ATM machines located at certain banks participating in the program. This program was offered to existing customers by moving their payments from post-paid to pre-paid. The number of prepaid customers as at December 31, 2017 was 30,377,840.

In October 2016, we launched a smartphone application “PLN Mobile” to help our customers to manage their accounts. Customers using the application are able to access electricity bills, use prepaid reload vouchers, track their historical electricity usage, find payment point location information and track information about the progress and status of complaints. In addition, the application also tracks the progress of PLN projects.

We have dedicated customer service representatives, who work with our largest current and potential customers.

Direct Subsidiaries

We have 11 direct subsidiaries:

- **PT Indonesia Power and its subsidiaries**

PT Indonesia Power engages in electricity generation in Java-Bali and controlled approximately 24.3% (8,856 MW) of the generation capacity in Java-Bali as of December 31, 2017 as well as other related business. PT Indonesia Power was established on October 3, 1995 under the name of PT PLN PJB I and changed its name to PT Indonesia Power on September 1, 2000. As of December 31, 2017, we owned 99.99% shares in PT Indonesia Power.

- **PT Pembangkitan Jawa Bali (“PT PJB”) and its subsidiaries**

PT PJB engages in electricity generation in Java-Bali controlling approximately 19.2% (6,993 MW) of the generation capacity in Java-Bali as of December 31, 2017 as well as other related business. PT PJB was established on October 3, 1995 under the name of PT PLN PJB II and changed its name to PT PJB on September 22, 2000 and subsequently to PT PJB on August 2, 2001. As of December 31, 2017, we owned 99.99% shares in PT PJB.

- **PT Pelayanan Listrik Nasional Batam (“PT PLN Batam”)**

PT PLN Batam engages in power generation and distribution for the public in Batam. As of December 31, 2017, PT PLN Batam owned 52 power generators in 17 locations with capacity of approximately 734 MW. This subsidiary was established on October 3, 2000. As of December 31, 2017, we owned 99.99% shares in PT PLN Batam.

- **PT Indonesia Comnets Plus**

PT Indonesia Comnets Plus engages in providing fiber optic-based telecommunications networks and services the electricity sector and public use and related business. This subsidiary was legally established on October 3, 2000. As of December 31, 2017, we owned 99.99% shares in PT Indonesia Comnets Plus.

- **PT Prima Layanan Nasional Enjiniring (“PT PLNE”)**

PT PLNE provides electrical engineering consultancy as well as electrical engineering and construction services. This subsidiary was legally established on October 3, 2002. As of December 31, 2017, we owned 99.90% shares in PT PLNE.

- **PT Pelayanan Listrik Nasional Tarakan (“PT PLN Tarakan”)**

PT PLN Tarakan provided power generation and distribution for the public in Tarakan until December 31, 2016. As of January 1, 2017, PT PLN Tarakan changed its business to operation and maintenance of power plants as well as engineering services in Tarakan and Eastern Indonesia. As of December 31, 2017, PT PLN Tarakan owned eight power generators with capacity of approximately 17 MW which have been transferred to us on January 1, 2017. This subsidiary was legally established on December 15, 2003. As of December 31, 2017, we owned 99.97% shares in PT PLN Tarakan.

- **PT PLN Batubara (“PLN Batubara”)**

PLN Batubara engages in coal mining and trading. This subsidiary was legally established on September 3, 2008 and has supplied more than 43.5 million metric tons of coal to our power plants, half of which was supplied in the last two and a half years. As of December 31, 2017, we owned 99.99% shares in PLN Batubara.

- **PT PLN Gas & Geothermal**

PT PLN Gas & Geothermal was established to engage in electricity generation-related operation and maintenance services, especially gas and geothermal energy-related services. Prior to July 10, 2017, it was named PT PLN Geothermal. As of July 10, 2017, PT PLN Geothermal added midstream gas to its scope of business and therefore became a subsidiary which handled a gas and geothermal power plant project and, hence, was renamed PT PLN Gas & Geothermal. This subsidiary was established on January 28, 2009. As of December 31, 2017, we owned 99.99% shares in PT PLN Geothermal.

- **Majapahit Holding B.V. (“Majapahit”)**

Majapahit is a wholly-owned subsidiary domiciled in Amsterdam, the Netherlands. Majapahit is a special purpose vehicle that primarily acts as a financing vehicle. This subsidiary was established on October 3, 2006. As of December 31, 2017, we owned 100% shares in Majapahit.

- **PT Pelayaran Bahtera Adhiguna (“PT BAG”)**

PT BAG engages in sea transportation, particularly coal transportation. The Government transferred PT BAG to us and our Company legally became PT BAG’s shareholder on August 12, 2011 and as of December 31, 2017 we owned 99.99% shares in PT BAG.

- **PT Haleyora Power**

PT Haleyora Power engages in the power transmission and distribution and related services. This subsidiary was legally established on October 18, 2011. As of December 31, 2017, we owned 99.99% shares in PT Haleyora Power.

We also have several joint ventures and associates. For further details, see Note 8 of our consolidated financial statements for the year ended December 31, 2017, included elsewhere in this Offering Memorandum.

Development of IPPs

Since 1994, the Government has licensed IPPs to generate electricity for use in Indonesia. The licenses allow the IPPs to generate a stated amount of electricity for use in Indonesia, which must be sold to us under the terms of the PPAs entered into between the IPPs and us. As of December 31, 2017, approximately 23.7% (13,270 MW) of the total installed generation capacity in Indonesia came from IPPs.

As of December 31, 2017, we had entered into 288 IPP Power Supply Contracts. Our agreements with IPPs comprised 61 material contracts with respect to electricity generating plants that have already commenced operations and 227 agreements with respect to electricity generating plants that are under development. For further details, see Note 54 of our restated consolidated financial statements, included elsewhere in this Offering Memorandum. Each of the coal-fired IPP PPAs is for a period of approximately 30 years after commercial operations begin, while each of the natural gas IPP PPAs is for a period of approximately 20 years. We have agreed with a number of these IPPs, subject to certain restrictions, to purchase dependable capacity in each case (expected to total approximately 80.0% of available MW in the aggregate) at a fixed price (capacity charge) and to purchase the electricity dispatched at variable prices pegged to operating, maintenance and fuel costs (energy charge).

Our PPAs typically contain limited termination clauses for the benefit of the IPP, for example, as the result of a default by us or *force majeure* events caused by the Government. See “*Risk Factors — Risks Relating to our Business and Operations — We may be exposed to liabilities arising out of our contracts.*”

The following tables set forth certain information with respect to the IPPs in operation as of December 31, 2017:

No.	Company	Project	Fuel	(MW)	AF ⁽¹⁾	Term of operation ⁽²⁾
1	PT Cikarang Listrindo	Cikarang, West Java	Gas	300	72	1996-2031
2	PT Energi Sengkang	Sengkang, South Sulawesi	Gas	315	85	1998-2027
3	Dayabumi Salak Pratama Ltd.	Salak, West Java	Geothermal	165	90	2000-2030
4	PT Paiton Energy	Paiton I, East Java	Coal	1,230	85	2001-2040
5	PT Jawa Power	Paiton II, East Java	Coal	1,220	83	2000-2030
6	Pertamina, Cevron Drajat Ltd	Drajat, West Java	Geothermal	117	95	2000-2030
7	Star Energy Geothermal Ltd	Wayang Windu, West Java	Geothermal	227	90	2000-2042
8	PT Geo Dipa Energy	Dieng, Central Java	Geothermal	55	85	2002-2044
9	PT Asrigita Prasarana	Palembang Timur, South Sumatra	Gas	150	85	2004-2024
10	PT Sumber Segara Primadaya	Cilacap, Central Java	Coal	562	80	2007-2037
11	PT Meppo Gen	Gunung Megang, South Sumatra	Gas	110	80	2007-2027
12	PT Pusaka Jaya Palu Power	Palu, Central Sulawesi	Coal	27	80	2007-2032
13	PT Cipta Daya Nusantara	Mobuya, North Sulawesi	Hydroelectric	3	80	2007-2027
14	PT Pertamina Geothermal Energy	Kamojang Unit 4, West Java	Geothermal	60	90	2008-2038
15	PT Cahaya Fajar Kaltim	Embalut 1 & 2, East Borneo	Coal	45	83	2008-2040
16	PT Dizamatra Powerindo	Sebayak, North Sumatra	Geothermal	12	80	2008-2038
17	PT Bajradaya Sentranusa	Asahan, North Sumatra	Hydroelectric	180	1,175 GWh/year	2011-2040
18	Perum Jasa Tirta	Purwakarta, West Java	Hydroelectric	180	—	2012-2017
19	PT Fajar Futura Energi Luwu	Ranteballa, Luwu, South Sulawesi	Hydroelectric	2.4	—	2010-2035

No.	Company	Project	Fuel	(MW)	AF ⁽¹⁾	Term of operation ⁽²⁾
20	PT Sulawesi Mini Hydro Power	Tangka, Sinjai, South Sulawesi	Hydroelectric	10	—	2011-2036
21	PT GH EMM Indonesia	Simpang Belimbing Muara Enim, South Sumatra	Coal	227	80	2011-2041
22	PT Eksploitasi Energi Indonesia	Pangkalan Bun, South Bontaro	Coal	11	80	2011-2036
23	PT Paiton Energy	Paiton III, East Java	Coal	815	85	2012-2042
24	PT Cirebon Electric Power	Cirebon, West Java	Coal	660	80	2012-2042
25	PT Bosowa Energi	Jeneponto, South Sulawesi	Coal	200	80	2012-2042
26	PT Poso Energy	Poso, Central Sulawesi	Hydroelectric	195	845.52	2012-2042
					GWh/year	
27	PT Bekasi Power	Bekasi, West Java	Gas	118.8	80	2013-2033
28	PT Sepoetih Daya Prima	Lampung Tengah, Sumatra	Coal	12	80	2014-2024
29	PT Cahaya Fajar Kaltim	Embalut Unit 3, East Borneo	Coal	50	87	2014-2039
30	PT Geo Dipa Energi	Patuha, West Java	Geothermal	55	75	2014-2044
31	PT Tenaga Listrik Gorontalo	Molotabu, Gorontalo	Coal	21	80	2014-2039
32	PT Kerta Negara Energi Perkasa	Senipah, East Borneo	Gas	92	85	2015-2040
33	PT Bukit Pembangkit Innovative	Banjar Sari, Lahat, South Sumatra	Coal	220	80	2015-2045
34	PT General Energy Bali	Celukan Bawang, Bali	Coal	380	85	2015-2045
35	PT Harmoni Energi Indonesia	Buton, Southeast Sulawesi	Coal	14	80	2015-2040
36	PT Pertamina Geothermal Energy	Kamojang Unit 5, West Java	Geothermal	30	90	2015-2045
37	PT Priamanaya Energi	Keban Agung, Lahat, South Sumatra	Coal	240	80	2016-2046
38	PT Wampu Electric Power	Wampu, North Sumatra	Hydroelectric	45	315.36	2016-2046
					GWh/year	
39	PT Sumber Segara Primadaya	Cilacap Ekspansi, Central Java	Coal	614	80	2016-2046
40	PT Pertamina Geothermal Energy	Ulubelu Unit 3, Sumatra	Geothermal	55	90	2016-2046
41	PT Pertamina Geothermal Energy	Ulubelu Unit 4, Sumatra	Geothermal	55	90	2016-2046
42	PT Pusaka Jaya Palu Power	Tawaeli Ekspansi (Unit 4 & 5), Palu	Coal	30	80	2016-2041
43	PT Pertamina Geothermal Energy	Lahendong Unit 5, North Sulawesi	Geothermal	20	90	2016-2046
44	PT DSSP Power Sumsel	Sumsel 5, Banyuasin, South Sumatra	Coal	300	80	2016-2041
45	PT Pertamina Geothermal Energy	Lahendong Unit 6, North Sulawesi	Geothermal	20	90	2016-2046
46	PT Indo Matra Power	Kawasan Industri Kabil, Batam Island	Gas	17.4	80	2005-2017

No.	Company	Project	Fuel	(MW)	AF ⁽¹⁾	Term of operation ⁽²⁾
47	PT Dalle Energy Batam	Panaran, Batam Island	Gas	85.5	90	2005-2025
48	PT Mitra Energi Batam	Panaran, Batam Island	Gas	55.5	84	2005-2034
49	Tanjung Kasam Power	Tanjung Kasam, Batam Island	Coal	110	85	2012-2042
50	PT Mitra Energi Batam	Panaran, Batam Island	Gas	26.6	—	2014-2034
51	PT Energi Listrik Batam	Tanjung Uncang, Batam Island	Gas	70	85	2016-2038
52	PT Humbahas Bumi Energi	Hutraja, North Sumatra	Hydroelectric	5	65	2012-2037
53	PT Bakti Nugroho Yuda Energy	Baturaja, South Sumatra	Coal	20	80	2014-2039
54	Sarulla Operation Ltd	Sibual Buali, North Sumatra	Geothermal	110	90	2017-2047
55	PT Lestari Banten Energi	Banten, West Java	Coal	625	80	2017-2042
56	PT Lombok Energy Dinamics	Sambelia, Lombok Timur, West Nusa Tenggara	Coal	50	80	2017-2042
57	Sarulla Operation Ltd	Sibual Buali Unit 2, North Sumatra	Geothermal	110	90	2017-2047
58	Joint Operation PT Wijaya Karya — PT Mirlindo Padu Kencana	Pesanggaran, Bali	Diesel	50	85	2009-2017
59	Konsorsium PT Wijaya Karya PT Navigat Energy	Borang, South Sumatra	Gas	60	80	2012-2019
60	Konsorsium PT Modaco Energy — PT Elektrindo Perkasa Utama — Pratt & Whitney Ps. INC — Renewable Energy Power International	Payo Selincah, Jambi	Gas	94	60	2012-2019
61	Konsorsium PT PP — PT Bangun Energy Resources — PT Navigat Energy — PT SNC Lavalin — TPS General Electric	Talang Duku, Jambi	Gas	57	60	2013-2019
	Total			<u>10,996</u>		

Notes:

- (1) AF is the power supply factor which the Company has agreed to purchase under the relevant PPA.
(2) Indicates contractual terms of operation under the relevant PPAs.

IPPs under development

No.	Company	Project	Fuel	(MW)	AF ⁽¹⁾	Term of operation	Status as of December 31, 2017
62	PT Shenhua Guohua Pembangkitan Jawa Bali	Serang, Banteng	Coal	2,000	86	2021-2046	Construction Stage
63	PT Bhumi Jati Power	Jepara, Central Java	Coal	2,000	86	2019-2044	Construction Stage
64	PT Bimasena Power Indonesia	Batang, Central Java	Coal	1,900	86	2020-2050	Construction Stage
65	PT Tanjung Jati Power Company	Cirebon, West Java	Coal	1,320	80	2019-2049	Financing Stage
66	PT Huadian Bukit Asam Power	South Sumatra	Coal	1,200	80	2019-2044	Financing Stage
67	PT Cirebon Energi Prasarana	Cirebon, West Java	Coal	1,000	86	2019-2044	Financing Stage
68	PT Sumber Segara Primadaya	Cilacap, Central Java	Coal	1,000	86	2018-2048	Construction Stage
69	PT Shenhua Guohua Lion Power Indonesia	South Sumatra	Coal	600	80	2020-2050	Financing Stage
70	PT North Sumatra Hydro Energy	PLTA Batang Toru	Hydroelectric	510	—	2016-2046	Financing Stage
71	PT Bosowa Energi	Jeneponto, South Sulawesi	Coal	250	80	2018-2048	Construction Stage
72	PT Banyuasin Power Energi	South Sumatra	Coal	250	80	2020-2050	Financing Stage
73	PT Sorik Marapi Geothermal Power	PLTP Sorik Marapi, North Sumatra	Geothermal	240	90	2020-2050	Power Purchase Agreement
74	PT Pertamina Geothermal Energy	PLTP Lumut Balai, South Sumatra	Geothermal	220	90	2017-2047	Under construction
75	PT Supreme Energy Rajabasa	PLTP Rajabasa, Lampung	Geothermal	220	90	2023-2053	Exploration
76	PT Supreme Energy Muaralaboh	PLTP Muaralaboh, West Sumatra	Geothermal	220	90	2017-2047	Exploration
77	PT Supreme Energy Rantau Dedap	PLTP Rantau Dadap, South Sumatra	Geothermal	220	90	2019-2049	Exploration
78	Star Energy Geothermal (Wayang Windu) Limited	Wayang Windu #3, 4 West Java	Geothermal	220	85	2020-2050	Exploration
79	PT Sejahtera Alam Energi	PLTP Baturaden, Central Java	Geothermal	220	90	2024-2054	Power Purchase Agreement
80	PT SKS Listrik Kalimantan	Gunung Mas, Central Borneo	Coal	200	80	2019-2044	Construction Stage
81	PT Tenaga Listrik Bengkulu	Bengkulu	Coal	200	80	2019-2044	Construction Stage

No.	Company	Project	Fuel	(MW)	AF⁽¹⁾	Term of operation	Status as of December 31, 2017
82	PT GCL Indo Tenaga	West Borneo	Coal	200	80	2019-2044	Construction Stage
83	PT Tanjung Power Indonesia	South Borneo	Coal	200	80	2019-2044	Construction Stage
84	PT Graha Power Kaltim	East Borneo	Coal	200	80	2019-2044	Construction Stage
85	PT Indonesia Energi Dinamika (INDOEKA)	East Borneo	Coal	200	80	2020-2045	Construction Stage
86	PT Bakrie Darmakarya Energi	PLTP Telaga Ngebel, East Java	Geothermal	165	90	2023-2053	Power Purchase Agreement
87	PT Geo Dipa Energi	Dieng #2,3 Central Java	Geothermal	115	85	2021-2051	Financing Stage
88	PT Sintesa Banten Geothermal	PLTP Rawa Dano, Banten	Geothermal	110	90	2022-2052	Power Purchase Agreement
89	PT Medco Cahaya Geothermal	PLTP Ijen, East Java	Geothermal	110	85	2021-2051	Exploration
90	PT DSS Power Kendari	Konawe Selatan, Southeast Sulawesi	Coal	100	80	2019-2044	Construction Stage
91	PT Muntok Listrik Utama	Bangka Belitung	Gas	80	85 (Y1) 60	2019-2039	Financing Stage
92	PT Gorontalo Listrik Perdana	Gorontalo	Coal	100	80	2020-2045	Construction Stage
93	PT UPC Sidrap Bayu Energi	PLTBayu Sidrap South Sulawesi	Wind	70	—	2019-2049	Financing Stage
94	PT Energy Bayu Jeneponto	PLTBayu Tolo Jeneponto South Sulawesi	Wind	60	—	2019-2049	Financing Stage
95	PT Tanggamus Electric Power	PLTA Semangka	Hydroelectric	56	57	2019-2049	Construction Stage
96	PT Indo Ridlatama Power	Kutai Kartanegara, East Borneo	Coal	55	80	2017-2047	Construction Stage
97	PT Spring Energy Sentosa	PLTP Guci, Central Java	Geothermal	55	90	2024-2054	Power Purchase Agreement
98	PT Rekind Daya Mamuju	Mamuju, West Sulawesi	Coal	50	80	2017-2042	Construction Stage
99	PT Indo Raya Tenaga	Suralaya, Banten	Coal	2,000	86	2022-2047	Financing Stage
100	PT Jawa Satu Power	Karawang, West Java	Gas	1,760	60	2022-2047	Financing Stage

No.	Company	Project	Fuel	(MW)	AF⁽¹⁾	Term of operation	Status as of December 31, 2017
101	Kons PT Gama Energi Negeri — PT PJB Investasi	North Sumatra	Coal	600	Year 1-20 (85%), then take and pay afterwards	2022-2047	Financing Stage
102	Konsorsium PT Pembangkitan Jawa Bali Investasi — China Huadian Engineering Co. Ltd — Blackgold Natural Resources Ltd	Riau	Coal	600	80	2023-2048	Financing Stage
103	Kons. PT Putra Indotenaga — PLN Batubara	Jambi	Coal	600	80	2023-2048	Financing Stage
104	PT Poso Energy	PLTA Poso	Hydroelectric	195	—	—	Power Purchase Agreement
105	PT Meulaboh Power Generation	Aceh	Coal	400	80	2021-2046	Financing Stage
106	Konsorsium PT Pembangkitan Jawa Bali Investasi — PLN Batubara	South Sumatra	Coal	300	80	2021-2046	Financing Stage
107	PT Medco Ratch Power Riau	Pekanbaru, Riau	Gas	275	60	2021-2041	Financing Stage
108	Konsorsium PT Putra Indotenaga — PLN Batubara	East Borneo	Coal	200	80	2022-2047	Financing Stage
109	Konsorsium PT Putra Indotenaga — PLN Batubara	East Borneo	Coal	200	80	2022-2047	Financing Stage
110	Konsorsium PT Putra Indotenaga — PLN Batubara	East Borneo	Coal	200	80	2022-2047	Financing Stage
111	Konsorsium PT Putra Indotenaga — PLN Batubara	West Borneo	Coal	200	80	2021-2046	Financing Stage
112	Konsorsium PT Pembangkitan Jawa Bali Investasi — PT PLN Batubara	South and Central Borneo	Coal	200	80	2022-2047	Financing Stage
113	Konsorsium PT Pembangkitan Jawa Bali Investasi — PT PLN Batubara	South and Central Borneo	Coal	200	80	2022-2047	Financing Stage
114	Konsorsium PT Pembangkitan Jawa Bali Investasi — PT PLN Batubara	South and Central Borneo	Coal	200	80	2022-2047	Financing Stage

No.	Company	Project	Fuel	(MW)	AF ⁽¹⁾	Term of operation	Status as of December 31, 2017
115	PT Pertamina Geothermal Energy	PLTP Hululais Unit I & Unit II	Geothermal	110	85	—	Exploration
116	PT Pertamina Geothermal Energy	PLTP Sungai Penuh Unit I & Unit II	Geothermal	110	85	—	Exploration
117	PT Minahasa Cahaya Lestari	North Sulawesi	Coal	100	80	2021-2046	Financing Stage
118	PT Pembangkitan Jawa Bali	PLTGU MPP Banda Aceh II	Gas	110	80	2019-2039	Financing Stage
119	PT Malea Energy	PLTA Malea	Hydroelectric	90	60	30	Construction Stage
120	PT Pertamina Geothermal Energy	PLTP Kotamobagu	Geothermal	80	90	—	Exploration
121	PT Pembangkitan Jawa Bali	Central Sulawesi	Gas	60	80	2018-2038	Financing Stage
122	PT Pembangkitan Jawa Bali	PLTG MPP Banda Aceh I	Gas	55	80	2018-2038	Financing Stage
123	The Others ⁽²⁾			1,195	80	2018-2038	Financing Stage
	Total			<u>26,001</u>			

Notes:

- (1) AF is the power supply factor the Company has agreed to purchase under the relevant PPA.
- (2) Based on the latest consolidated financial statements of the Company as of December 31, 2017, represents contracts with 152 IPPs, consisting of 37 IPPs under construction, 43 IPPs in the financing stage, and 72 PPAs which are located in several areas in Indonesia and are generated by coal, geothermal and mini hydro with each power plant's capacity of less than 50 MW

Internal Supervision and Control

We are committed to developing good corporate governance based on the principles of accountability and transparency. We have set up an internal control unit, the Internal Supervisory Unit (“ISU”), to develop and implement our internal control system. The ISU acts as the internal control decision-making body, supervising the Board of Directors and our operational teams for effectiveness, efficiency and accountability, organizing and coordinating internal controls, monitoring compliance with applicable rules and regulations, and ensuring accuracy and reliability of financial reporting. We have clearly delineated responsibilities and authority as well as a well-defined decision making procedure to ensure compliance with applicable rules and regulations and promote efficient operations.

As part of our efforts to improve the accountability and transparency of transactional activities and the financial management of the Company, we have increased our cooperation with the Corruption Eradication Commission (KPK) and the Audit Board, state agencies that are actively involved in

efforts to combat corruption. PLN has also formed a partnership with Transparency International Indonesia in order to improve the accountability of its business activities. In addition, we have had a whistle-blower system in place since 2012 to further improve accountability. We have invested in and developed transaction processes and management systems based on information technology. This serves two purposes: the accountability of records and bookkeeping of transactions, and operational efficiency. We have implemented a variety of transaction modules based on information technology, including AP2T (Central Application of Management and the Customer) and P2APST (Centralized Management and Supervision of Revenue Flows), which minimizes contact between employees and customers in order to lessen the chances of improper interference and violations, and to increase transparency.

Competition from other Energy Sources

Our largest competitors are the natural gas suppliers with self-generation capacity using natural gas, for example PGN. Certain industrial users and natural gas suppliers have installed generators or other means to self-generate power using natural gas. We expect that natural gas will continue to be increasingly used as an energy source in the industrial, business and residential sectors. Nevertheless, the use of natural gas is expected to have only a minimal impact on electricity consumption in Indonesia, and is not expected to be a major direct competitor to electricity as an energy source.

Environmental Matters

In 2009, Indonesia voluntarily pledged to reduce its greenhouse gas (“GHG”) emissions by 26% by itself, and up to 41% with international support by 2020. In furtherance of these objectives, Indonesia has promulgated relevant legal and policy instruments, including the national action plan on GHG emissions reduction as stipulated in Presidential Regulation No. 61/2011 and GHG inventory through Presidential Regulation No. 71/2011.

At the 2015 U.N. Climate Change Conference, Indonesia set even more ambitious emission reduction goals beyond 2020. Based on the country’s most recent emission level assessment, Indonesia committed to reduce its GHG emissions by 29% by 2030. The development of clean energy sources is also a national policy.

To achieve GHG emission reduction targets in the energy sector, Indonesia has embarked on a mixed energy use policy, with a set objective to source at least 23% of the energy used from new and renewable energy by 2025 as stipulated in the National Energy Policy (KEN). In respect of the electricity sector, Indonesia seeks to source at least 23.0% of the energy consumed by 2025 from new and renewable energy and to reduce the share of energy produced from coal to approximately 54.4% of the total energy mix, as stipulated in National Electricity Business Plan (RUPTL) 2018-2027. In order to support these policies, we have postponed a number of large-scale coal fired power plants and are developing power plants fuelled by new and renewable energy pursuant to the RUPTL 2018-2027.

Our operations are subject to various environmental laws relating to water, air and noise pollution and the management of hazardous and toxic waste. Although we believe that we are in compliance in all material respects with these environmental laws, some risk of environmental costs and liabilities are inherent in our operations and there can be no assurance that material costs and liabilities will not be incurred in the future in this regard. Compliance with environmental laws and regulations may also result in delays in expansion and development of our generating stations and transmission and distribution systems.

Pursuant to current environmental regulations, particularly Law No. 32 of 2009 concerning Environment Protection and Management (“Law 32/2009”) and Ministry of Environment Regulation No. 5/2012 on Types of Planned Businesses and/or Activities Subject to Mandatory Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan — AMDAL) (“MOER 5/2012”), every business and/or activity having a substantial impact on the environment shall be obligated to have AMDAL.

Further, under Law 32/2009, we are also required to obtain environmental license. Pursuant to Government Regulation No. 27 of 2012 (“GR 27/2012”) on Environmental License, a company which is obliged to obtain the AMDAL (as stipulated under MOER 5/2012) is also obliged to apply for an environmental license known as an “Environmental Permit” (Izin Lingkungan). The Environmental Permit is a pre-requisite to obtaining the relevant business licenses and if the Environmental Permit is revoked, the business licenses granted will be cancelled. The procedures for the application, approval and granting of an Environmental Permit is set forth in GR 27/2012. The New Environmental Law requires that all existing environmental permits must be integrated into the Environmental Permit within one year of the enactment of this law.

Under the transitional provision of Regulation No. 27/2012, the environmental licenses which have been approved before the enactment of Regulation No. 27/2012 shall remain valid and will be treated the same as environmental licenses under Regulation No. 27/2012. Accordingly, since we believe that we are in compliance with Law No. 32/2009 and are up to date with our filings of AMDALs, RKLs and RPLs, it does not need to obtain Environmental Permit. However, Regulation No. 27/2012 requires us to apply for an amendment to the existing environmental permit if we plan to make changes, such as, if we decide to increase our capacity or to build additional power plants.

The current environmental regulation in Indonesia prohibits any business or activities to violate the quality standard of the environment. Our Company is subject to several Government regulations, ministerial decrees and provincial and local regulations regarding the maintenance of quality standard. The possible waste emissions from an electricity business sector are water, air, noise pollution and hazardous and toxic waste. Our Company is subject to monitoring, prevention, maintenance and reporting obligations depending on the type of waste produced by our Company. If we breach any of these obligations, we must pay compensation to the injured party, remedy the condition of the pollution and/or be subject to criminal sanctions. See “*Risk Factors — Risks Relating to our Business and Operations — Our operations are subject to Indonesian central, provincial and local environmental protecting laws and regulations.*”

Insurance

We hold “all risks insurance” policies, which include machine breakdown insurance, terrorism and sabotage insurance, and third party liability insurance. Our insurance policies cover our operational assets, properties, plants, machineries and equipment, including power plants, extra high voltage substations, Java and Bali submarine cables, and high voltage cable channels. We also have a machinery insurance policy for our power plants as required by our financing contracts. We are currently in the process of extending the validity of our policies with our providers.

Our insurance policies are provided by a group of Indonesian insurance companies, such as PT Asuransi Jasa Indonesia (Persero), PT Asuransi Tugu Kresna Pratama, PT Asuransi Mitsui Sumitomo Indonesia and PT Asuransi Dayin Mitra Tbk. In addition, the relevant contractor under each of our EPC contracts in relation to the Fast Track Programs is responsible for obtaining insurance policies for our benefit, including builders risk insurance, third-party liability insurance and marine and cargo insurance. As of the date of this Offering Memorandum, we have received a majority of such insurance policies, which are effective. The remaining insurance policies are not yet effective as the conditions under the EPC contracts to which they relate have not been fulfilled by the EPC contractors. See “*Risk Factors — Risks Relating to our Business and Operations — We may suffer losses for which we are uninsured, or we lack adequate insurance, which could adversely affect our business.*”

Suppliers

We rely on a number of suppliers to meet our business needs and do not rely on any single supplier for key services or components for our network. With respect to fuel, our relationship with Pertamina is significant as Pertamina is our main supplier of fuel oil as we purchased approximately 92.1% of our fuel oil from Pertamina for the year ended December 31, 2017. With respect to natural gas, our key suppliers include Perusahaan Gas Negara, PT Pertamina, PT Pertamina Eksplorasi dan Produksi, China National Offshore Oil Corporation, PT Pertamina Hulu Energi Offshore North West Jawa, PT Nusantara Regas, PT Pertamina Hulu Energi West Madura Offshore and Kangean Energy Indonesia (KEI). For coal, our key suppliers are PT Arutmin Indonesia, PT Bukit Asam, PT Adaro Indonesia, PT PLN Batubara, PT Kaltim Prima Coal and PT Kideco Jaya Agung.

Property

Our main property assets are our generation, transmission and distribution network assets and real property associated with such network. Other than these assets, we lease our headquarters in Jakarta.

Legal Proceedings

We are involved in legal proceedings incidental to the ordinary course of our business. Other legal proceedings that we are generally party to include cases with respect to damage to marine cables, project cooperation and land disputes. As of December 31, 2017, the following cases were pending in which we are the defendant and where we believe the claim may be material.

On August 21, 2014, Ny. Nesah binti Sadih and her siblings filed a claim relating to disputes regarding PLTGU Muara Tawar land rights. They claimed to have suffered a loss amounting to Rp.59.2 billion for material losses and Rp.864 million for immaterial losses. All of the plaintiffs' claims were rejected by the District Court of South Jakarta on September 28, 2015. Subsequently, the plaintiffs submitted an appeal and all of the plaintiffs' claims were again rejected by the High Court. On April 27, 2017, the plaintiffs submitted an appeal to the Supreme Court. As of the date of this Offering Memorandum, this case remains in the appeal process at the Supreme Court.

In 2015, some of our former employees were sentenced to imprisonment for eight to 10 years and monetary fines ranging from Rp.500 million to Rp.1 billion each by the Supreme Court of the Republic of Indonesia. These former employees were found guilty of corruption relating to procurement of Life Time Extension (LTE) Major Overhauls Gas Turbine at Integrated Gasification Combined Cycle Plants (PLTGU) in Belawan, Medan.

In November 2015, some of our employees, including members of our management were convicted of corruption by the Anti-Corruption Court at the District Court of Central Jakarta, which sentenced of nine members of our procurement committee to one year and four months of imprisonment (which would be deducted by their respective detention period), as well as monetary fines in the amount of Rp.50 million each. They were all found guilty of corruption by way of, among others, fabricating construction progress reports relating to development projects in Java, Bali and Nusa Tenggara. Their imprisonment period ended on August 16, 2016. After their release, and after they served internal administrative sanctions, we rehired these employees in non-decision making roles due to critical technical skill sets and experience they possess, which make it difficult for us to find suitable replacements for them, particularly in the context of the timeline, scale and complexity of our on-going and future projects pursuant to the 35,000 MW Program. However, we do maintain internal supervision and control systems, and recently implemented certain initiatives with the KPK and BPK to improve accountability and transparency. See "*Our business — Internal Supervision and Control*" for a description of our recent initiatives with the KPK and RPK to enhance our accountability and transparency.

Related to the same case, Dahlan Iskan, our former president director and CEO from 2009 to 2011, was also investigated for possible corruption charges. However, his motion to dismiss was granted by the District Court of Central Jakarta on July 3, 2015. Hence, the litigation associated with him has been discontinued.

On January 11, 2016, Netti Pardosi and Pandapotan Kasmin Simanjuntak filed a claim relating to an acquisition of rights to land measuring 6.2 hectares on which PLTA Asahan III will be constructed. The plaintiffs demanded that the land rights acquisition be cancelled. They claimed to have suffered a loss amounting to Rp.4.5 billion for material losses and Rp.50 billion for immaterial losses. The District Court of Balige partially accepted the Plaintiff's claim on September 6, 2016, a decision we appealed on September 15, 2016. On February 8, 2017, the Medan High Court rejected our appeal and subsequently on April 17, 2017, we submitted an appeal to the Supreme Court. As of the date of this Offering Memorandum, this case remains in the appeal process at the Supreme Court.

On September 20, 2017, PT Putera Daya Perkasa filed a claim relating to the fulfillment of compensation obligations for an acquisition by us of rights to land with an area of 17,002 sqm for the power plant development in Tangerang. The plaintiff demanded that the land rights acquisition be cancelled, claiming losses amounting to Rp.86.1 billion for material losses and Rp.18 billion for immaterial losses. As of the date of this Offering Memorandum, this case remains in the first degree hearing at the District Court of South Jakarta.

On March 2, 2018, the former President Director and another former director of our subsidiary PT PLN Batubara were arrested by the Chief Prosecutor's Office of South Jakarta and General Attorney, respectively, as suspects in the investigation into alleged corruption in connection with coal mining exploitation for the supply of the Mine-Mouth Power Plant in Gunung Megang, Muara Enim with PT Tansri Majid Energy. As of the date of this Offering Memorandum, both former directors remain suspects.

REGULATION OF THE INDONESIAN ELECTRICITY SECTOR

Regulation

On September 23, 2009, the Government issued the New Electricity Law which revokes the Old Electricity Law. To implement the New Electricity Law, the Government has issued: (i) Government Regulation No. 14/2012 as amended by Government Regulation No. 23/2014 (“GR 14”), which revokes Government Regulation No. 10/1989 as amended by Government Regulation No. 3/2005 and Government Regulation No. 26/2006; (ii) Government Regulation No. 62/2012 on Electricity Ancillary Business and (iii) Government Regulation No. 42/2012 on Cross Border Electricity Trade (“GR 42”).

In general, apart from introducing several new provisions, the New Electricity Law combines several concepts from the Old Electricity Law and its implementing regulations into one law. This section discusses some key provisions of the New Electricity Law and its implementing regulations that may affect our business.

Industry Framework

Under the Old Electricity Law and its implementing regulations, electricity supply in Indonesia was executed by the state and carried out by us as the holder of the PKUK. As long as it was not detrimental to the state’s interest, cooperatives, regional-owned enterprises, private business enterprises, non-governmental enterprises (*masyarakat*) and individuals had the opportunity to take part in the electricity sector and to supply electricity.

Under the New Electricity Law, electricity supply in Indonesia is no longer executed by the state and carried out by us as the holder of the PKUK. Instead, the electricity supply is controlled by the state and conducted by the central Government and the regional governments through state-owned enterprises, such as our Company, and regional-owned enterprises. The New Electricity Law also allows private business enterprises, cooperatives and non-governmental enterprises to participate in the electricity supply business. However, under the New Electricity Law, state-owned enterprises, which includes us, have the first priority to decide whether to be the electricity supplier for the public needs of a specified area before such right can be awarded to anyone else. If we decline the offer to undertake a public electricity supply business for the specified area, the central Government or the regional governments, in accordance with their respective authority, may offer the right to maintain the public electricity supply business to regional-owned enterprises, private enterprises or cooperatives.

Furthermore, if there are no regional-owned companies, private enterprises or cooperatives that elect to supply electricity in an area, the central Government is obliged by the New Electricity Law to instruct state-owned enterprises, which includes us, to supply electricity in such area.

35,000 MW Program

On January 8, 2016, PR 4 was issued. PR 4 was issued to accelerate the development of new power generation projects with total capacity of 35,000 MW. The key features of PR 4 for the acceleration of the development of power projects in Indonesia are as follows:

- PR 4 provides a business viability guarantee for our financial obligations under PPAs. PR 4 states that the Ministry of Finance must give its approval of PLN’s request for a guarantee within 25 business days after the Minister of Finance receives a complete submission from PLN.
- PR 4 seeks to expedite the processing time for licenses and non-licenses for power projects and streamline the process at the one-stop service at the Investment Coordinating Board (“BKPM”) as well as the provincial and regency/city one stop services.

- PR 4 provides that if the electricity infrastructure projects are not in accordance with the Regional Zoning Plan (*Rencana Tata Ruang Wilayah*), Detail of Regional Zoning Plan (*Rencana Detail Tata Ruang Daerah*) or Coastal Area and Small Islands Zoning Plan (*Rencana Zonasi Wilayah Pesisir dan Pulau-Pulau Kecil*), those spatial layouts may be amended in accordance with prevailing spatial layout laws and regulations.
- PR 4 states that the land procurement for electricity infrastructure projects must be carried out in accordance with Law No. 2 of 2012 on Land Procurement for Public Interest as explained below.
- PR 4 removes the need for PLN to obtain PKLN team (Offshore Commercial Loan Team at the Ministry of Finance) approval for PLN offshore borrowings but only requires PLN to report to PKLN team for PLN offshore borrowings.

Electricity Master Plan

The supply and utilization of electricity in Indonesia is based on electricity master plans (each, a “Master Plan”). Unlike the Old Electricity Law, which stipulated that there would only be a single national Master Plan determined by the MEMR, the New Electricity Law stipulates that there will be a national Master Plan and multiple regional Master Plans. The national Master Plan is required to be determined by the central Government after consulting with the Indonesian House of Representatives and also involving the regional governments, while each regional Master Plan is required to be made by referring to the national Master Plan and issued by the respective regional governments after further consultation with the regional house of representatives.

We have recently prepared and submitted an electricity supply business plan for the period of 2018-2027 which has been approved by the MEMR as set forth under MEMR Decree No. 1567 K/21/MEM/2018 dated March 13, 2018 (the “2018 National Master Plan”). Pursuant to the 2017 National Master Plan, we plan to implement, among others, 1,000 MW class ultra super critical (USC) coal fired plants for the Java-Bali system and 300 MW and 600 MW class USC coal fired plants for the Sumatra system, and allocate to IPPs renewable energy capacity of approximately 5,828 MW and unallocated renewable energy capacity of approximately 4,989 MW over the next ten years. We remain committed to implement the Fast Track Program II and the 35,000 MW Program in conjunction with the 2018 National Master Plan as our allocation of renewable energy capacity of 5,828 MW to IPPs and unallocated renewable energy capacity of approximately 4,989 MW over the next ten years includes approximately 6,600 MW under the Fast Track Program II and approximately 3,000 MW under the 35,000 MW Program.

Principles of Power Purchase Agreement

On January 19, 2017, the MEMR issued Regulation No. 10/2017 as partially revoked by MEMR Regulation No. 48/2017 and amended by MEMR Regulation No. 49/2017 and MEMR No. 10/2018 (“Regulation No. 10”), which sets out certain requirements as to provisions that certain PPAs must include. Regulation No. 10 only applies to certain power projects, including conventional power plants, geothermal, biomass and hydropower plants (above 10 MW). However, Regulation No. 10 does not apply to new and renewable energy intermittent power projects (*i.e.*, wind and solar, regardless of generation capacity), mini-hydro power plants of generation capacity below 10 MW, biogas power plants and waste-to-energy power plants. These power plants are subject to separate regulations. Additionally, the transitional provisions of Regulation No. 10 provide that these new PPA requirements will not apply to PLN projects for which the bidding process has already reached bid closing, for which PLN has signed a letter of intent issued to an IPP, or for which a PPA has already been signed including in the existence of price adjustment and/or an amendment process to an existing PPA, prior to January 23, 2017, the effective date of Regulation No. 10. In connection with geothermal power plant projects, such Regulation No. 10 will not apply to projects which have reached the auction process and the price offering stage, the winner declaration stage or for which the relevant PPAs have been signed, prior to January 23, 2017, the effective date of Regulation No. 10.

Regulation No. 10 provides that coal-fired power plant projects will be awarded by PLN on a Build-Own-Operate-Transfer (“BOOT”) basis, with ownership of the projects being transferred from the IPP to PLN at the end of the term of the PPA. Under the mandated BOOT model, the potential “upside” for the IPPs has been captured by PLN, and all of the projects will need to be transferred to PLN for a nominal amount at the end of the term of the PPA.

For the PPAs to date, PLN has also committed to a take-or-pay model (or guaranteed minimum availability payment) for the entire life of the PPA. Regulation No. 10 states that the take-or-pay period within the PPA is for a “certain period,” *i.e.*, a period less than the full term of the PPA, and such “certain period” is determined by “considering” the repayment period for the financing. This indicates that PLN may only be committed to a take-and-pay model for the debt service period to ensure lenders are covered, while IPPs take the risk on that PLN may not dispatch the plant after the debt is repaid. This take-or-pay model is not entirely new. With respect to a number of the larger hydroelectric PPAs, the take-or-pay commitment of PLN is structured so that it only applies during a presumed debt service period, *e.g.*, for the first 15 years of a 30-year hydroelectric PPA, and following the debt service period, the PPA changes to a “take-and-pay” model, *i.e.*, the IPP is only paid if PLN chooses to dispatch the plant. In such projects, the sponsors have had to take a leap of faith that at the end of the debt service period, the power plant will be positioned well in the merit order dispatch list, therefore giving a degree of comfort that despite the lack of any take-or-pay commitment from PLN, PLN will nevertheless dispatch the plant due to the favorable tariff. While nothing relating to this issue should give lenders any cause for concern as the take-or-pay commitment period will cover the debt servicing period, IPPs should consider whether they are willing to risk their equity returns depending on whether or not PLN decides to dispatch the plant.

In addition, Regulation No. 10 seeks to transfer the risks for certain government-related force majeure events to IPPs. One of the fundamental principle of proper risk allocation is that the risk should be allocated to the party who is best able to manage and mitigate the risk. In the context of a PPA, the only a private sector IPP and a state-owned entity are parties to the agreement. Hence, traditionally the state-owned entity is expected to take the risk associated with actions of the state.

The PPAs typically only penalize IPPs for failing to meet the availability targets, *e.g.*, if the availability target is 80% and actual performance is only 78%, then PLN will only pay the IPP for the 78% actual availability, and will penalize the IPP for the 2% shortfall between the contractual availability target and the actual availability. In this example, the IPP would receive a net of 76% of the contractual amount for that month. In the most recent base-load PPAs, PLN has sought to introduce penalties for failing to meet reactive power requirements, as well as failing to comply with frequency requirements. Under Regulation No. 10, a PPA must have a penalty regime for failing to meet ramp up and ramp down instructions from PLN dispatch centers.

Regulation No. 10 further stipulates that the payment for electricity purchase transactions must be made by using Rupiah as the currency unless Bank Indonesia grants an exception. Based on the Currency Law, PBI 17/3/2015 and SEBI 17/11/2015, conditional exemptions may be granted to certain infrastructure projects, such as electricity infrastructure, including power plants. Further, if the payment is required to be in U.S. dollars or any other foreign currencies, the exchange rate to be used is the exchange rate of Jakarta Interbank Spot Dollar Rate (JISDOR).

Utilization of Natural Gas for Power Plants

On 27 January 2017, MEMR issued MEMR Regulation No. 45 of 2017 on Utilization of Natural Gas for Power Plant (“MEMR No. 45/2017”) which governs the utilization of natural gas for power plants including certain key terms of the natural gas supply arrangements. Based on Article 4 of MEMR No. 45/2017, allocation of natural gas for power generation can be made directly to PLN or IPPs as long as such entity still provides the facility or natural gas infrastructure. However, PLN may also purchase LNG from alternative sources such as trading companies. Based on this regulation, PLN is authorized to purchase natural gas at the highest price, *i.e.*, 14.5% ICP. In case PLN cannot purchase natural gas at the determined price, if there is any access or plan to develop recipient facility of LNG, PLN or IPP

could: (a) purchase LNG at plan gate below the offer price of natural gas through pipeline; (b) in case there is any domestic price of LNG at plan gate equal to the import price of LNG at plan gate, PLN or IPP must buy LNG from domestic; or (c) in case the conditions in (a) and (b) could not be reached, MEMR may issue a policy of natural gas provision for a power plant.

The purchase of electricity from a wellhead power plant developed by IPP can be carried out by PLN through direct appointment or public auction. Direct appointment must be conducted with the following conditions: (i) the maximum price of natural gas is 8% ICP at the wellhead power plant (plant gate); (ii) the guarantee for the adequacy of natural gas allocation/supply must be in accordance with the term of the natural gas sale and purchase agreement; and (iii) the efficiency of the power plant with specific fuel consumption (SFC) must be equal to High Speed Diesel (HSD) at 0.25 liters/kWh. A public auction must be conducted if the price of natural gas is higher than 8% ICP.

The Use of Renewable Energy

Recently, the Government introduced MEMR Regulation No. 50 of 2017 on the Utilization of Renewable Energy Resources for Electricity Supply (“MEMR No. 50/2017”) to set out the tariff framework for the following types of renewable energy projects: (i) solar PV; (ii) wind; (iii) hydropower; (iv) biomass; (v) biogas; (vi) municipal waste; (vii) geothermal; and (viii) movement and difference in sea lining temperature. As a result of this regulation, which reduces the price of renewable energy, we are able to reduce our overall cost of production. Pursuant to MEMR No. 50/2017, PLN must buy electricity generated by renewable energy power plants. In addition, PLN is required to operate renewable energy power plants with capacity up to 10 MW continuously. The following table sets out the different methods by which PLN can source renewable energy power supplies, and the relevant pricing regime for each energy type under MEMR No. 50/2017:

Renewable Energy Type	Method of Appointment	Tariff	
		Local grid existing average cost of generation (“BPP”) > National BPP	Local grid BPP ≤ National BPP
Solar PV	Direct selection through the capacity quota	Maximum 85% x local grid BPP	Based on mutual agreement between PLN and IPP
Wind	Direct selection through the capacity quota	Maximum 85% x local grid BPP	Based on mutual agreement between PLN and IPP
Hydro.....	Direct Selection	Maximum 100% x local grid BPP	Including Sumatra, Java and Bali grid, based on mutual agreement between PLN and IPP
Biomass.....	Direct Selection	Maximum 85% x local grid BPP	Based on mutual agreement between PLN and IPP
Biogas	Direct Selection	Maximum 85% x local grid BPP	Based on mutual agreement between PLN and IPP
Municipal Waste	Any method regulated on prevailing regulation	Maximum 100% of local grid BPP	Including Sumatra, Java and Bali grid, based on mutual agreement between PLN and IPP

Renewable Energy Type	Method of Appointment	Tariff	
		Local grid existing average cost of generation (“BPP”) > National BPP	Local grid BPP ≤ National BPP
Geothermal.....	Any method regulated on prevailing regulation	Maximum 100% of local grid BPP	Including Sumatra, Java and Bali grid, based on mutual agreement between PLN and IPP
Movement and difference in sea lining temperature.....	Direct Selection	Maximum 85% x local grid BPP	Based on mutual agreement between PLN and IPP

MEMR No. 50/2017 provides that the new pricing regulations will not apply to PPAs that have already been signed and the signed PPA pricing regime will remain in effect. However, if an IPP has been designated under the regulations related to hydro, biomass, biogas or waste-to-energy power plants, but a PPA has not been signed, the pricing arrangements under MEMR No. 50/2017 will not be applied to the projects and the regulations enacted prior to MEMR No. 50/2017 apply. For geothermal projects in which an IPP has won the tender for a natural gas work area and a state owned enterprise which is assigned to develop natural gas business but where no PPA has been signed, the tariff regulated under MEMR No. 50/2017 will not apply and the regulation enacted prior to MEMR No. 50/2017 will apply.

Provisions of Existing Average Cost of Generation (BPP)

On March 23, 2017, MEMR issued Reg 24/2017 (“Regulation 24”) on the determination for PLN’s Generation Production Cost as a reference for the price of purchased electricity. The price of purchased electricity could be the price at generation output point (in case that step up transformer is not applied) or the price at step up transformer output point (in case that step up transformer is applied). Regulation 24 also requires PLN to submit realization of BPP on a quarterly basis or at any time if needed. The nominal range of BPPs across Indonesia was elaborated under MEMR Decree No. 1772 K/20/MEM/2018 dated March 29, 2018 which is effective from April 1, 2018 until March 31, 2019.

Types of Electricity Industry

The New Electricity Law divides the electricity industry into two main sectors, namely the electricity supply business and the electricity supporting business. The electricity supply business is divided into electricity supply business for the public and the electricity supply business for private users. The electricity supporting business is further divided into the electricity supporting services business and the electricity supporting industry business.

The electricity supply business covers electricity generation, transmission, distribution and sales. Meanwhile, the electricity supporting services and industry businesses cover, among others: (i) consultation on installation of electricity equipment; (ii) construction and installation of electricity equipment; (iii) inspection and testing of electricity equipment; (iv) operation of electricity equipment; (v) maintenance of electricity equipment; (vi) research and development; (vii) education and training; (viii) laboratory on testing of electricity equipment and utilization; (ix) certification on electricity equipment and utilization; (x) certification on the competency of electricity technical experts and (xi) other services business directly related to the electricity supply.

Electricity Supply Business Licensing

Under the Old Electricity Law, the electricity supply business license was issued in the form of: (i) an electricity business license for public use (“IUKU”); (ii) an electricity business license for self-use (“IUKS”); or (iii) an electricity business proxy, or PKUK, of which we were the only holder.

Pursuant to the New Electricity Law, the PKUK is no longer recognized, and the electricity supply business license will be issued in the form of: (i) an Electricity Supply Business License (“IUPTL”) for the purpose of supplying electricity for public use; or (ii) an Operation License, for the purpose of supplying electricity for private use with certain capacity.

However, under the New Electricity Law and MEMR Regulation No. 35/2013, as amended by MEMR Regulation No. 12/2016, on Electricity Business Licensing Procedures (“MEMR Regulation 35/2013”), IUKU and IUKS that were issued by the MEMR prior to the issuance of MEMR Regulation 35/2013 shall be valid until its expiration date.

Coverage of Licenses

Under the New Electricity Law, the IUPTL covers the following business activities: (i) electricity generation; (ii) electricity transmission; (iii) electricity distribution; and (iv) electricity sale. An IUPTL can be issued separately for each type of electricity business activity. The New Electricity Law allows the integration of electricity business activities for a business entity which conducts an electricity supply business for public needs with a business area.

Obligations of License Holder

Pursuant to the New Electricity Law, holders of an IUPTL are obliged to:

- supply electricity that meets the required standard of quality;

GR 14 mandates the MEMR, or mayor/regent (in accordance with its authority) to determine the required standard of quality of electricity supply which must be followed by IUPTL holders and any violation of this standard of quality of electricity supply shall be subject to sanction in the form of compensation payment to the customers which will be further regulated by the MEMR, or mayor/regent.

- provide the best services to the consumers and society;
- comply with electricity safety standards; and
- prioritize the use of domestic products and supplies.

Business Area

The New Electricity Law introduces the concept of business area, which is an area that is prescribed and designated by the central Government within which a business that has an IUPTL may conduct its business (a “Business Area”). Pursuant to the New Electricity Law, and GR 14, only one business entity will have permission, within a single Business Area, to conduct an integrated electricity supply business for public needs, and this limitation is expected to apply to us. The limitation also applies to business entities whose activities only cover distribution and/or sale of electricity for public needs.

Based on GR 14, the Business Area will be stipulated by the MEMR. In addition, Governor or Mayor/Regent is required for the stipulation of a Business Area if the relevant IUPTL is issued by Governor or Mayor/Regent.

MEMR Regulation No. 28/2012 on Business Area Application Procedures for the Supply of Electricity for Public Interest as amended by MEMR Regulation No. 7/2016 further regulates the procedures for applying for a Business Area and also grants authority to the Directorate General of Electricity and Energy Utilization (“DGEEU”) acting on behalf of the MEMR to award a Business Area to more than one IUPTL holder if: (i) such area is not yet covered by the existing IUPTL holder in the said Business Area; (ii) the existing IUPTL holder of a certain Business Area is unable to provide electricity or distribution line that meet the required standards of reliability and quality; or (iii) the existing IUPTL holder relinquishes all or part of its Business Area to the MEMR.

Licensing Authorities

- Under the New Electricity Law and GR 14, the IUPTL may be issued by the regent or mayor, the governor or the Minister of Energy and Mineral Resources, in accordance with the following scheme: regent or mayor, for:
 - (i) a business entity which has a Business Area that only includes a single regency or municipality; or
 - (ii) a business entity which sells electricity and/or leases electricity networks to a holder of an IUPTL that was issued by the regent or mayor;
- Governor, for:
 - (i) a business entity which has a Business Area that overlays multiple regencies and/or municipalities; or
 - (ii) a business entity which sells electricity and/or leases electricity networks to a holder of an IUPTL that was issued by the governor; and
- Minister of Energy and Mineral Resources, for:
 - (i) a business entity which has a Business Area that overlays multiple provinces;
 - (ii) a state-owned enterprise; or
 - (iii) a business entity which sells electricity and/or leases electricity networks to a holder of an IUPTL that was issued by the MEMR.

For foreign capital investment companies fall under the regime of Law No. 25 of 2007 on Capital Investment, the application for IUPTL is submitted to the MEMR through BKPM due to the delegation of authority under MEMR Regulation No. 35/2014, as amended by MEMR Regulation No. 14/2017, on the Delegation of Authority to Issue Electricity Licenses in the Framework of Implementing One Stop Service to BKPM (“MEMR Regulation 35/2014”). The procedures for submitting license/approval applications and the required supporting documents are unaffected by MEMR Regulation 35/2014 and an IUPTL application requirements and procedure continues to be governed by the procedures and documents set out in MEMR Regulation 35/2013.

Transitional Provisions

Under the New Electricity Law, we are deemed as having already obtained the IUPTL. However, within two years of the enactment of the New Electricity Law, the central Government is required to complete the administration and adjustment of our IUPTL in accordance with the provisions of the New Electricity Law.

Considering the transitional provisions above, on September 30, 2011, the integrated IUPTL for our Company, covering the business activities of electricity generation, transmission, distribution and sale, was issued by the MEMR and extended further on September 27, 2016 by the Head of BKPM on behalf of the MEMR. Based on our IUPTL, our Business Area covers all territory of Indonesia except for the area which is stipulated by the Government as a Business Area of other state-owned enterprises, regional-owned enterprises, private entities or cooperatives.

Electricity Export-Import

Based on GR 42 and MEMR Regulation No. 26/2012 on Procedures for Cross-Border Electricity Sale Permit, Electricity Purchase Permit and Electricity Interconnection Permit, an IUPTL holder can conduct cross country electricity sale and purchase activities after obtaining approval from the MEMR. In addition, the purchase price for cross-border electricity purchase must be approved by the MEMR.

Export of electricity can be carried out provided that

- (a) local electricity demand has been fulfilled;
- (b) the sales price is not subsidized; and
- (c) the export does not affect the quality and reliability local electricity provision.

Import of electricity can be carried out provided that, among others:

- (a) local electricity demand has not been fulfilled;
- (b) imported electricity is only to support fulfilment of local electricity needs;
- (c) it does not cause any adverse effect to the state interest which related to sovereignty, security, and economic development;
- (d) the import is for increasing the quality and reliability of the local power supply;
- (e) the import will not impede the capacity of onshore power development; and
- (f) the import will not cause any dependency on the power supply from overseas.

The permit for either export and import of electricity will be valid for five years and is extendable.

Land Utilization

Based on the New Electricity Law and GR 14, the holder of IUPTL must provide land title compensation or compensation to the holders of land title, building and plants on the land it uses. Land title compensation is granted for direct use of land by the holder of IUPTL and buildings and plants on the land. The amount of compensation granted for indirect use of land to the holders of land title, buildings and plants must be determined by an independent appraisal (lembaga penilai independent) appointed by the MEMR, Governor or Regent/Mayor pursuant to his authority. Further provisions on the calculation formula and payment procedures for land, building and plants compensation will be regulated under a ministerial regulation. Any land issues arisen from the use of the land must be settled by the holder of IUPTL before it starts its business activities. However, the obligation to pay such compensation will not be required if certain buildings, plants and others are erected on the lands which have obtained a location permit for power supply business and land title compensation or compensation for those land titles, buildings and plants has been paid to the owners.

Tariff Structure

Under the terms of the Old Electricity Law, the electricity tariffs charged by us are required to be approved by the President of Indonesia based on a proposal by the MEMR. However, under the New Electricity Law, as we would be considered a holder of an IUPTL, our electricity tariff for our consumers shall be determined by the President of Indonesia with the prior approval of the Indonesian House of Representatives, which shall consider the balance between the national, regional, consumer and electricity business players' interests.

The New Electricity Law also allows the central Government to set different consumer tariffs within a single Business Area. However, until there are further implementing regulations, it is unclear how this policy will be implemented or how any such implementation will affect our business, financial condition, results of operations or prospects. For further discussion of this issue, see *“Risk Factors — Risks Relating to our Business and Operations — Under the New Electricity Law, the procedure for setting tariffs has changed, and tariffs may be less uniform, resulting in lower revenues.”*

As mentioned above, the New Electricity Law stipulates that all of the implementing regulations of the Old Electricity Law are still valid unless they contravene the provisions of the New Electricity Law or have been replaced. Therefore, we believe that the most recent electricity tariff formula that was stipulated under Presidential Regulation No. 8/2011 on the Electricity Selling Price of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (“PR 8”), dated February 7, 2011 and valid from July 1, 2010, which has not been amended, and the MEMR Regulation No. 28/2016, are still valid. Under PR 8, we are obliged to improve and publicly disclose our quality standards for each services unit on a quarterly basis.

If we fail to meet these quality standards, especially the standards relating to duration and quantity of electricity disturbance and errors on meter reading, we will be obliged to reduce our electricity invoice for the relevant consumers by certain amounts calculated on the basis of a formula set forth by the MEMR.

The following table sets forth our average selling price by each tariff category of customer for the years ended December 31, 2015 to 2017:

	Year ended December 31,		
	2015	2016	2017
	<i>(Rp. per Kwh)</i>		
Residential	835	845	1,056
Industrial	1,146	1,056	1,089
Business.....	1,283	1,203	1,246
Public	1,136	1,086	1,102
Total average selling price	1,035	994	1,105

Starting in 1994, we prepared a regular tariff adjustment mechanism which consisted of a structural adjustment that would take place once a year and formula-based quarterly tariff adjustments that would take into account changes in the input costs from inflation, changes in fuel prices, power purchase price and exchange rates. This automatic tariff adjustment mechanism was intended to keep the tariff level constant in real terms.

This automatic tariff adjustment mechanism was suspended after the Asian financial crisis in 1997. The Government is currently exploring reintroducing an automatic tariff adjustment mechanism.

Subsidies

The New Electricity Law does not provide any specific provisions concerning subsidies, and, therefore, we believe that the current regulation on subsidies is still valid. As our tariffs have historically been lower than our costs, we rely on Government subsidies to meet the difference between our costs to produce electricity we sell and the prices we are permitted to charge under the tariffs set by the Government. To offset rising fuel costs and the slow growth of average tariffs received, the Government has increased subsidies since 2004. The subsidies we receive from the Government cover the following costs: electric power purchases from IPPs, fuel and lubricants expenses (such as for fuel oil, natural gas, geothermal, coal, lubricating oil and levy for surface water), maintenance expenses (such as for materials and contract services), personnel expenses, administration expenses, depreciation of fixed operational assets and interest and financing costs. We do not receive Government subsidies for costs that are not related to the generation of electricity while performing PSO, such as the operating costs of our telecommunications subsidiary or of our engineering services subsidiary.

Our Subsidy for 2017

For the year ended December 31, 2017, the total amount of subsidies approved by the Government was Rp.50,595 billion, consisting of Rp.45,375 billion for 2017 subsidies and Rp.5,220 billion for estimated account receivable subsidies from 2015. For the year ended December 31, 2017, we earned Rp.45,738 billion of revenue in electricity subsidies from the Government. During the 2017 financial year, we received subsidy payments of Rp.50,595 billion, consisting of Rp.45,375 billion for 2017 subsidies and Rp.5,220 billion for estimated account receivable subsidies from 2015.

Our Subsidy for 2016

For the year ended December 31, 2016, the total amount of subsidies approved by the Government was Rp.63,098 billion, consisting of Rp.50,817 billion for 2016 subsidies and Rp.12,281 billion for estimated account receivable subsidies from 2014. For the year ended December 31, 2016, we earned Rp.58,043 billion of revenue in electricity subsidies from the Government. During the 2016 financial year, we received subsidy payments of Rp.63,098 billion, consisting of Rp.50,817 billion for 2016 subsidies and Rp.12,281 billion for estimated account receivable subsidies from 2014.

Our Subsidy for 2015

For the year ended December 31, 2015, the total amount of subsidies approved by the Government was Rp.73,149 billion, consisting of Rp.66,149 billion for 2015 subsidies and Rp.7,000 billion for estimated account receivable subsidies from 2014. For the year ended December 31, 2015, we recognized Rp.56,553 billion of revenue in electricity subsidies from the Government. During the 2015 financial year, we received subsidy payments of Rp.55,332 billion, consisting of Rp.48,332 billion for 2015 subsidies and Rp.7,000 billion for estimated account receivable subsidies from 2014.

The following table sets forth certain information regarding the subsidies we have received from the Government with respect to previous fiscal years:

Year ended December 31,	Government-approved budgeted subsidy	Government's electricity subsidy as a result of compliance audit by Audit Board
	<i>(Rp. billions)</i>	
2011.....	86,245	93,179
2012.....	64,973	103,331
2013.....	79,414	101,208
2014.....	82,022	99,303
2015.....	66,149	56,553
2016.....	63,098	58,043
2017.....	50,595	45,738

Government subsidies prior to the adoption of the Ministry of Finance Regulation in 2005 were different in certain material respects. In 2004, the Government subsidy only covered our costs related to our customers that subscribe for electricity power up to 450 VA in certain tariff categories. In 2005, our subsidy increased significantly because it was expanded to cover electricity purchasing costs for all of our customer categories with average sales tariffs that are lower than the cost per that tariff category. Another significant difference in the subsidy process was that each month we invoiced the Government for 90.0% of the estimated monthly subsidy prior to 2005, which was increased to 95.0% starting in 2005. Pursuant to the MEMR Regulation No. 28/2016, the Government applied a tariff adjustment mechanism for 13 types of customers. However, the tariff adjustment has only been implemented for 12 types of customers that represented in aggregate 65.0% of the overall sales as planned under the 2017 state budget. As the tariff rates for certain residential customers have been below our cost of production, the Government pays us an electricity subsidy to compensate for differences between our production costs and these tariffs and a PSO Margin set at 7.0% above the cost of electricity to meet our finance costs for borrowings related to capital expenditures.

The Minister of Finance implemented Regulation 44/PMK.02/2017, as amended by the Minister of Finance Regulation No. 162/PMK.02/2017, which provides that:

- The total amount of subsidy we ultimately receive for a year will be based on the examination report submitted to the Ministry of Finance.
- The electricity subsidy fund will be allocated under the State Revenues and Expenditure Budget and/or an amendment to the State Revenues and Expenditure Budget.
- We will submit a request for payment of electricity subsidy to KPA (*Kuasa Pengguna Anggaran*—Budget Administrator) on a monthly basis together with supporting information, i.e. (i) the actual sales of electricity; (ii) required main cost (Rp./kWh) in each tariff category; and (iii) calculation of electricity subsidy based on points (i) and (ii).
- Based on the request, KPA will examine and verify the supporting information. The amount of electricity subsidy based on the calculation of required operation cost that can be paid to us in each month is 95% of the verification result.

- The formula to calculate the subsidy of electricity is as follows:

S	=	-(TTL — BPP(1 + m)) x V, where
S	=	electricity subsidy
TTL	=	average tariff of electricity (Rp./kWh) of each tariff category
BPP	=	main operating cost (Rp./kWh) for every tariff category
m	=	margin (%)
V	=	sales volume

Land Procurement

On December 16, 2011, Parliament passed the Bill on Land Procurement for Public Interest, which came into force on January 14, 2012 as Law No. 2 of 2012 on Land Procurement for Public Interest (“Land Procurement Law”). On August 7, 2012, the implementing regulation of the Land Procurement Law, i.e., Presidential Regulation No. 71 of 2012 on Land Procurement Process for Public Interest Project (“PR 71/2012”) was issued. PR 71/2012 has been severally amended as lastly amended by Presidential Regulation No. 148 of 2015 on the Fourth Amendment to PR 71/2012. The Land Procurement Law and PR 71/2012 introduce clear and expedited steps for the procurement of land for public interest. The Land Procurement Law and PR 71/2012 are expected to provide a more effective legal basis for public interest land procurement which, prior to the effectiveness of the Land Procurement Law, was regulated by Presidential Regulation No. 36 of 2005 on Land Procurement for Public Interest, as amended by Presidential Regulation No. 65 of 2006. Under the Land Procurement Law, the term “public interest” is defined as the interest of the Indonesian people, nation and community that should be manifested by the Government and used optimally for the welfare of all of the people of Indonesia. The Land Procurement Law opens the possibility for state-owned enterprises who receive a special assignment from the Government to procure land for public interest projects using the procedures provided under the Land Procurement Law.

Under the Land Procurement Law, the Government and/or the regional government are given the task of ensuring the availability of land required for public interest. The Land Procurement Law also clearly stipulates that a party (the “Entitled Party”) who owns or otherwise controls the assessable land procurement objects, which are defined as land, space under and above the land, buildings, plants, any object related to the land or other object (“Land Procurement Objects”) is obliged to release its rights upon such Land Procurement Object for the purpose of public interest land procurement, following the provision of fair and reasonable compensation or a legally binding court decision. After such land is released, it becomes the property of the Government, the regional government or a state-owned enterprise, as the case may be.

The Land Procurement Law specifically stipulates the development projects for public interest among others as follows:

- (1) oil, gas, and geothermal infrastructure;
- (2) power plant, power transmission, switch yard, power network and distribution;

Initially, an entity that plans to procure land for public interest must send a notification to the local society and have a public consultation with the parties related to the Land Procurement Objects, including any Entitled Party regarding the proposed development plan, until a consensus is reached. In the event that no consensus can be reached or there occurs any objection to the proposed development plan, the Governor will establish a team to examine the reasons for the objections. Based on this, the Governor will decide whether the objections are valid. To the extent that such objections are denied, the Entitled Party may file a legal claim at the State Administrative Court, whose decision can thereafter be subject to final appeal at the Supreme Court. If by virtue of a legally binding court decision, the land has been approved to be procured for public interest, then the National Land Agency

shall appoint an independent appraisal team to determine the compensation value to be paid to the Entitled Party. To challenge the compensation value, the Entitled Party may file a legal claim at a District Court and if necessary, the decision of the District Court can be filed for final appeal at the Supreme Court.

Maximum Period for Land Acquisition

If there are no objections or appeal requests, the land acquisition process will take around 309 working days. If there is an objection or appeal request, PR 71/2012 sets a maximum of 455 working days from the date the Governor receives the land acquisition plan documents until the land certification/registration process. The land title itself is extinguished upon the granting of the compensation or the deposit of the compensation in the court or upon completion of land title release. PR 71/2012 also allows commencement of construction above the procured land after delivery of the procured land to the institution that needs the land without waiting for the land certificate to be issued.

Land Procurement Stage

Under Land Procurement Law, land procurement can be divided into four stages: planning, preparation, execution and land delivery. The PR 71/2012 provides specific delegation to relevant officials for the implementation of each stage above:

- Planning — The acquiring institution (e.g., the government institution, state-owned enterprise with special assignment from the Government) will be responsible for preparing the land acquisition plan documents which must be submitted to the relevant Governor.
- Preparation — Preparation is conducted by the relevant Governor through a preparation team which consists of the relevant mayor/regent, relevant units in the province, the acquiring institution, and other relevant institutions. The Governor is allowed to delegate these preparation tasks and authority to the relevant mayor/regent.
- Execution — The execution of land acquisition falls within the authority of the Head of BPN (National Land Agency), which is implemented through the head of the BPN regional office, or the head of the land office, which will act as the head of land acquisition (“Head of Land Acquisition”). The Head of Land Acquisition will form a land acquisition team and lead the negotiation with the affected landowners.
- Delivery — The delivery of the procured land to the acquiring institution will be conducted by the Head of Land Acquisition.

Land “Ownership” Evidence

The Land Procurement Law extends the type of parties who can receive compensation in a land acquisition process by including among others: indigenous people, people who control state land in good faith, owners of buildings, and trustees of waqaf land. PR 71/2012 provides further details of types of documents and conditions that prove the “ownership” or entitlement over the land. If there is no sufficient land entitlement evidence, PR 71/2012 allows the person claiming to own the land to provide supporting evidence in the form of written statements from a minimum of two local people that have no family relationship until the second degree with the person claiming to own the land confirming that the person is the real owner or is a person who is entitled to the relevant land. Implementation of this non-family relationship test could be problematic since any non-family person controlled by the person claiming to own the land can just simply issue these statements.

MANAGEMENT

In accordance with Indonesian law, we have both a Board of Commissioners and a Board of Directors. The two boards are separate and no individual may serve as a member on both boards.

The rights and obligations of each member of the Board of Commissioners and Board of Directors are regulated by our Articles of Association and by the decisions of our shareholders in general meeting. Under the Articles of Association, the Board of Directors must consist of one or more members, one of which will be appointed as the President Director. The President Director is entitled to act for and on behalf of us, provided that his actions have been approved in the meeting of the Board of Directors. The Board of Commissioners must consist of one or more Commissioners, one of which will be appointed as the President Commissioner.

Since September 2015, we have been improving our organizational structure by dividing operational management according to regional area divisions (“Region”) in Indonesia. A Director leads a Region and manages the entire upstream-to-downstream business, from planning, construction, operation and maintenance services to retail consumer services in the Region. The Director of the Region is responsible for the overall regional area while the Directors of supporting directorates (i.e., Director of Human Resources, Director of Finance) supports the Director of the Region. Furthermore, an organizational development was conducted in May 2016 by adding 2 development parent units to strengthen electricity development. The Board of Directors Regulation No. 0292.P/DIR/2016 dated August 25, 2016 on the Establishment of 32 Electricity Project Executing Units (UPPK) was issued to manage the development and operation of our business in rural areas in every province. These changes to the organizational structure have been implemented to increase operational and management efficiency and to better implement the remaining Fast Track Programs and the 35,000 MW Program.

We confirm that there currently do not exist any conflicts of interest between any duties of the individual Commissioners and Directors to the Company and their private interest and/or other duties.

Board of Commissioners

The principal function of the Board of Commissioners is to supervise the policy of the Board of Directors in running our Company and to give advice to the Board of Directors.

Members of the Board of Commissioners are appointed and removed at a general meeting of shareholders. The Board of Commissioners comprises eight members. As required by OJK Regulation No. 33 of 2014 on the Board of Directors and Board of Commissioners of Issuer or Public Company, we will appoint another Independent Commissioner.

The following table sets forth the current members of the Board of Commissioners:

Name	Position	Age	Position held since
Hasan Bisri.....	President Commissioner	61	2014
Aloysius Kiik Ro.....	Commissioner	61	2015
Darmono.....	Independent Commissioner	65	2014
Oegroseno	Independent Commissioner	62	2014
Budiman.....	Commissioner	62	2014
Rionald Silaban.....	Commissioner	51	2017
Andy Noorsaman Sommeng.....	Commissioner	59	2017
Ilya Avianti	Commissioner	59	2017

Hasan Bisri

Hasan Bisri was appointed as our President Commissioner in December 2014. He has served as Vice Chairman of the Audit Board in 2011-2014. He has also served as an auditor in some structural and a functional position in the Audit Board (1982-2011).

He obtained a Bachelor's degree in Economics from the Islamic Djakarta University (1985) and obtained a Master's degree in Financial Management from the Satyagama University (2004).

Aloysius Kiik Ro

Aloysius Kiik Ro was appointed as our Commissioner in September 2015. He also serves as Deputy of Restructuring and Business Development in Ministry of State-Owned Enterprises since 2015. He has previously served as Assistant Team in Ministry of Finance in 2006-2009, Assistant Deputy of Restructuring and Privatization for Ministry of State-Owned Enterprises (2002-2005), Director of Finance for PT. Antam (2002-2003), Executive Director for PT. Danareksa (2005-2015), Commissioner for PT. Pelindo III (2002-2005), and a lecturer for Magister Management Program in Pelita Harapan University since 2005.

He obtained a Master's degree in Business Administration-Finance from the University of Illinois (USA) in 1994 and a Doctor of Philosophy in Finance from the University of Kentucky (USA) in 1998.

Darmono

Darmono was appointed as our Commissioner in October 2014. Formerly, he served as Commissioner for PT. Perusahaan Pengelola Aset (Persero) in 2013-2014, Head of Searcher Integrated Team of Convict and Suspect in Corruption Criminal Act Affair in 2010-2013, Vice Attorney General of Indonesia in 2010, and a lecturer for the Law Faculty in the Indonesia Islamic University (Yogyakarta), Trisakti University, and Unggul University.

He obtained a Bachelor's degree in Law from the Indonesia Islamic University in 1977 and obtained a Master's degree in Management from IPWI Jakarta in 2000. He also obtained a Doctorate in Law from Padjadjaran University in 2010.

Oegrosono

Oegrosono was appointed as our Independent Commissioner in October 2014. Previously, he served as Vice Head of POLRI (Police) in 2013, Head of the Security Maintenance of POLRI Headquarter in 2012, Head of Educational Institute of POLRI in 2011, Head of North Sumatra Area Police in 2010, and Head of the Security Profession Division of POLRI in 2009. He attended Police and Military Academy of Indonesia (AKABRI) in 1978, then resumed his education at Police College of Indonesia in 1986, then at Police Leadership Academy (SESPIMPOL) in 1996, then at High Rank Educational Police Academy (SESPATI III) in 2002 and at Institute of National Defense (LEMHANAS) in 2007.

Budiman

Budiman was appointed as our Commissioner in December 2014. Previously, he was the Staff Head of Army of Indonesia National Army (KSAD TNI) in 2013, General Secretary of Ministry of Defense in 2013, Vice Staff Head of Army of Indonesia National Army in 2011, Commander of Education and Training Commando of Indonesia National Army (DANKODIKLAT TNI) in 2010, and Commander of Area 4/Diponegoro of Indonesia National Army (PANGDAM IV/DIPONEGORO TNI) in 2009. He attended Indonesia Military Academy in 1978, then at Army Commando Academy of Indonesia National Army (SESKOAD TNI) in 1994, then at Commando Academy of Indonesia National Army (SESKO TNI) in 2001, and at National Defense Institute (LEMHANAS) in 2004.

Rionald Silaban

Rionald Silaban was appointed as our Commissioner in March 2017. Since 2016 he has also served as Expert Staff of Macro Economics and Finance in Ministry of Finance. Previously, he was the Executive Director in SEAVG, World Bank, Washington DC (2014-2016), Expert Staff of Organization, Bureaucracy, and Information Technology in Ministry of Finance (2012-2014), Head of PUSHAKA in General Secretary of Ministry of Finance (2008-2012), Head of Fiscal Risk Assurance Center in Finance Department (2006-2008), Senior Advisor in SEAVG ED Office, World Bank, Washington D.C. (2004-2006) and Head of General Division in General Secretary-Department of Finance (2002-2006). He obtained a Bachelor's degree in Law from the Law Faculty, University of Indonesia in 1989 and an LL.M. degree from Georgetown University, Law Center, Washington D.C. in 1993.

Andy Noorsaman Sommeng

Andy Noorsaman Sommeng was appointed as our Commissioner in July 2017. He has also served as Director General of Electricity for the MEMR since July 2017. Previously, he was the Head of Downstream Oil and Gas Regulatory Agency (2011-2017), Director General of Intellectual Property Rights for MOLHR (2007-2011), and Director of Information Technology Directorate General of IPR (2001- 2007).

He obtained a Bachelor's degree in Gas and Petrochemical Engineering from the University of Indonesia in 1984. He also obtained a Master's degree in Computer and Chemical Engineering from UTC, France in 1989 and a Doctor of Philosophy in Chemical Engineering/Process and Computer from Ecole Centrale Paris in 1993.

Ilya Avianti

Ilya Avianti was appointed as our Commissioner in July 2017. Previously, she was appointed as a member of OJK Commissioner Board and also Chairman of the Audit Board of OJK (2012-2017), Caretaker Main Auditor of State Finance VII at the Main Auditorate of State Finance VII of the Audit Board (2009-2010), Expert Staff of the Audit Board (2007-2010), Commissioner of PT Tuban Petro Industry (2006-2009), and Expert Staff of the Ministry of Finance (2005-2006).

She obtained a Bachelor's degree in Accounting from Padjadjaran University in 1984. She also obtained a Master's degree in Science in Accounting from the same university in 1994 and a Doctor of Philosophy in Accounting in 2000 also from Padjadjaran University.

Board of Directors

Members of the Board of Directors are appointed and removed at a general meeting of shareholders. The Board of Directors is comprised of 12 directors, including the President Director. The Board of Directors is responsible for the management of our business.

The following table sets forth the current members of the Board of Directors:

Name	Office/Division	Age	Appointed since
Sofyan Basir	President Director/Acting Director of Strategic Procurement 1	60	2014
Sarwono Sudarto	Director of Finance	66	2014
Muhammad Ali.....	Director of Human Capital Management	57	2015
Syofvi Felienty Roekman	Director of Corporate Planning	47	2017
Supangkat Iwan Santoso.....	Director of Strategic Procurement 2	60	2014
Amir Rosidin	Director of Regional Business — Central Java	59	2014
Djoko Rahardjo Abumanan.....	Director of Regional Business — East Java, Bali and Nusa Tenggara	57	2015
Machnizon Masri	Director of Regional Business — Kalimantan	50	2015
Haryanto W.S.	Director of Regional Business — West Java	59	2015
Wiluyo Kusdwiarto.....	Director of Regional Business — Sumatra	47	2017
Ahmad Rofik	Director of Regional Business — Maluku and Papua	51	2017
Syamsul Huda	Director of Regional Business — Sulawesi	50	2017

Sofyan Basir

Sofyan Basir was appointed as our President Director on December 24, 2014. Formerly, he was appointed as President Director of Bank Rakyat Indonesia since May 17th, 2005 and was chosen to serve for second period in May 20th, 2010. Prior to his latest position, he was appointed as President Director of Bank Bukopin. His banking career started in 1981 at Bank Duta, in 1986 he joined Bank Bukopin and served in several managing positions, including Commercial Director, Group Head Line of Business, and Head of Branch in several big cities in Indonesia. He obtained his Diploma Degree from STAK Trisakti, Jakarta (1980). He obtained his Bachelor's degree in Economy from STIE Ganesha, Jakarta (2010), and his Doctor Honoris Causa from Trisakti University, Jakarta (2012). He attended various training and education programs relating to the banking industry, domestically and overseas, including Risk Management Certification Refreshment Program Seminar (Frankfurt); Executive Risk Management; ABN Amro (Denpasar); Islamic Finance Forum (Swiss); Business Continuity Planning Seminar, Ernst & Young; SESPIBANK (Jakarta); Strategy Development Session, IBM; and Structuring Loans & Short Term, The Institute Banking & Finance.

Sarwono Sudarto

Sarwono Sudarto was appointed as our Director of Finance on December 24, 2015. Formerly, he has served as the Director of Operations at Bank Rakyat Indonesia (2006-2014), Head of Treasury Division at Bank Rakyat Indonesia (2005-2006), Head of Strategic Planning and Business Development Division at Bank Rakyat Indonesia (2004-2005), Head of Internal Audit at Bank Rakyat Indonesia (2001-2004), Head of Retail Business Division at Bank Rakyat Indonesia (1998-2001). He obtained a Bachelor's degree in Business Administration from the University of Diponegoro, Indonesia in 1975, a Master's degree in Business and Administration from the Finance Tulane University, USA in 1987 and Doctorate in Education Management from Universitas Negeri Jakarta, Indonesia in 2011.

Muhamad Ali

Muhamad Ali was appointed as our Director of Human Capital Management in October 2015. Formerly he was Coordinator of the Retail Business in PT Bank Rakyat Indonesia from April 2015. He also was the Head of Bank Rakyat Indonesia Yogyakarta Region (2014-2015), Head of Secretariat Companies Division at Bank Rakyat Indonesia Head Office (2010-2014), Bureau Chief Director at Bank Rakyat Indonesia Secretariat Companies Division (2009-2010), Deputy Head of Secretariat Companies Division at Bank Rakyat Indonesia Head Office (2008-2009), Head of Bank Rakyat Indonesia Surakarta Sudirman Branch (2005-2008), Head of Consumer Banking Marketing in Consumer Banking Division, Bank Rakyat Indonesia Head Office (2003-2005), Head of Bank Rakyat Indonesia Selsong Branch (2001-2003) and Head of Bank Rakyat Indonesia Kandangan Branch (1997-2001). He obtained his Bachelor's degree in Law from Gadjah Mada University, Indonesia in 1981.

Syofvi Felienty Roekman

Syofvi Felienty Roekman was appointed as our Director of Corporate Planning on July 24, 2017. Formerly, she was General Manager at PLN Banten Distribution (2016-2017), PLN Head of Strategic Corporate Planning Division (2013-2015), Vice President PT UNINDO (2010-2013), and PLN Senior Manager of Transmission Performance (2010). She obtained a Bachelor's degree in Electrical Engineering from Indonesia University in 1994 and a Master's degree in Electrical from Staffordshire University, England in 2004.

Supangkat Iwan Santoso

Supangkat Iwan Santoso was appointed as our Director of Strategic Procurement 2 on July 24, 2017. Formerly, he was Director of Procurement (2014-2017), President Director of PT Indonesian Power (2013-2014), our Head of the Jawa-Bali Generation Division PT PLN (2012-2013), Director of Development and Commerce PT Indonesian Power (2009-2012), President Director of PT PJB Service (subsidiary company of PT PJB) (2009), Vice President of Engineering PT Pembangkitan Jawa Bali (2004-2009), and Manager of Technology Development PT Pembangkitan Jawa Bali (2000-2004). He obtained a Bachelor's degree in Mechanical Engineering from Indonesia University, Indonesia in 1987 and a Master's degree in Mechanical Engineering from the Bandung Institute of Technology, Indonesia in 1997.

Amir Rosidin

Amir Rosidin was appointed as our Director of Regional Business — Central Java on July 24, 2017. Formerly, he was Director of Regional Business — Sumatra (2014-2017), President Director of PT Pembangkitan Jawa Bali (2013-2014), our Head of Risk Management Division in Business and Risk Management Directorate PLN Head Office (2010 — 2013), General Manager of PLN Sumatra Selatan, Jambi, and Bengkulu (2010), and General Manager of PLN Nusa Tenggara Timur Region in 2008. He obtained a Bachelor's degree in Electrical Engineering from the Institute of Technology Bandung in 1985 and a Master's Degree in Management from PPM School of Management in 1998.

Djoko R Abumanan

Djoko R Abumanan was appointed as our Director of Regional Business — East Java, Bali and Nusa Tenggara on July 24, 2017. Formerly, he was Director of Regional Business — Kalimantan (2015-2017), General Manager at PLN West Java and Banten (2015-2016), Head of New and Renewable Energy at PLN (2014-2015), General Manager at PLN Central Java and DIY Distribution (2013-2014), General Manager at PLN Riau, and Kepulauan Riau Region (2011-2012). He obtained a Bachelor's degree in Electrical Engineering from Institut Teknologi Bandung, Indonesia in 1985 and a Master's degree in Business Management from JIMS Jakarta, Indonesia in 1999.

Machnizon Masri

Machnizon Masri was appointed as our Director of Regional Business — Kalimantan on July 24, 2017. Formerly, he was Director of Regional Business Sulawesi and Nusa Tenggara (2015-2017), Head of Operations Division of Central Jawa and West Jawa (2015), General Manager at PLN East Kalimantan and North Kalimantan Region (2013-2015), Senior Manager Distribution System at PLN East Indonesia (2012-2013), Manager of Generator at PLN South Sulawesi and West Sulawesi (2010-2012), Manager of Planning at PLN Maluku and North Maluku (2008-2010), Manager of Transmission and Distribution at PLN (2008), Deputy Manager of Corporate Planning at PLN Jakarta Raya and Tangerang Distribution (2006-2008), Assistant Manager of Connectivity at PLN Jakarta Raya and Tangerang Distribution (2000-2004), and Head of Distribution at PLN Jakarta Raya and Tangerang Distribution (2000). He obtained a Bachelor's degree in Electrical Engineering from Institut Teknologi Bandung in 1993 and a Master's degree in Business Administration from University of Tenaga Nasional, Malaysia in 2005.

Haryanto WS

Haryanto WS appointed as our Director of Regional Business — West Java on July 24, 2017. Formerly, he was Director of Regional Business — Maluku and Papua (2015-2017), General Manager of Jakarta Raya and Tangerang Distribution (2014-2015), General Manager of East Jawa Distribution (2011-2014), Head of Jawa-Bali Distribution Division (2010-2011), General Manager of South Sulawesi, Southeast Sulawesi and West Sulawesi Region (2010-2010), and General Manager of West Kalimantan Region (2008-2009). He obtained his Bachelor's degree in Electrical Engineering from Institut Teknologi Bandung, Indonesia in 1983 and Master's degree in Management from STIE IPWIJA, Indonesia in 2003.

Wiluyo Kusdiharto

Wiluyo Kusdiharto was appointed as our Director of Regional Business — Sumatra on July 24, 2017. Formerly, he was PLN Head of Construction Division of Sumatra Region (2015-2017), General Manager at PLN Main Development Unit (UIP) VIII (2013-2015), General Manager at PLN Lontar (2011-2013), Manager at PLN Lontar (2011), Manager at PLN Indramayu (2009-2011), Manager at PLN Main Development Unit Sulawesi, Maluku, and Papua Region (2007-2009), and Deputy Manager at PLN Main Development Unit South Sumatra and Jambi Region (2006-2007). He obtained a Bachelor's degree in Mechanical Engineering from the Institute of Technology Sepuluh Nopember (1994) and a Master's degree in Business Management from University of Tenaga Nasional, Malaysia (2005).

Ahmad Rofik

Ahmad Rofik was appointed as our Director of Regional Business — Maluku Papua on July 24, 2017. Formerly, he was PLN Head of Strategic Procurement Division, General Manager at PLN Main Development Unit (UIP) 1 (2014-2015), PLN Senior Manager of Generation Construction (2014), and Manager of Planning PLN Main Development Unit (UIP) 1 (2012-2014). He obtained a Bachelor's degree in Mechanical Engineering from Indonesia University (1992).

Syamsul Huda

Syamsul Huda was appointed as our Director of Regional Business — Sulawesi on July 24, 2017. Formerly, he was General Manager at PLN Jakarta Raya and Tangerang Distribution (2015-2017), General Manager at PLN Bali Distribution (2014-2015), PLN Senior Manager of Marketing Strategic (2012-2014), and Manager of Commerce at PLN Bali Distribution (2010-2011). He obtained a Bachelor's degree in Electrical Engineering from the Sepuluh Nopember Institute of Technology (1993) and a Master's degree from the Institute of Technology Bandung (2006).

Senior Management

The following table sets forth certain details of our senior management:

Name	Office/Division	Age	Appointed since
Adi Priyanto	Head of System Planning Division	52	2017
Doddy Benyamin Panganiban	Head of Corporate Planning Division	49	2015
Tehari Haidt.....	Head of Renewable Energy Division	50	2017
Wasito Adi	Head of Risk Management & Compliance Division	52	2017
Septa Hamid	Head of Supply Chain Management Division	50	2013
Anang Yahmadi.....	Head of Construction Administration Division	49	2017
Khusnul Mubien.....	Head of Budgeting Division	50	2017
Sulistyo Biantoro	Head of Finance Division	41	2017
Alfath Cordea Imalutha.....	Head of Accounting Division	51	2017
R. Yuddy Setyo Wicaksono	Head of Commerce Division	49	2017
Tisna Gunawan	Head of General Division	53	2016
Iskandar	Head of Treasury Division	48	2015
Karyawan Aji.....	Head of Talent Development Division	50	2018
Bagus Setiawan.....	Head of Human Capital Management System Division	51	2015
Adi Lumakso	Head of Construction Division of Sumatra Region	49	2017
Bima Putrajaya.....	Head of Operations Division of Western Jawa Region	53	2017
Sulaiman Daud.....	Head of Construction Division Central Jawa Region	56	2017
Aji Sutrisno	Head of Construction Division Eastern Jawa, Bali and Nusa Tenggara Region	50	2017
Hariyadi Krismiyanto	Head of Construction Division of Kalimantan Region	51	2015
Didik Mardiyanto.....	Head of Construction Division of Sulawesi	52	2017
Eman Prijono Wasito Adi	Head of Development Division of Maluku & Papua Region	51	2018
Ali Mudin.....	Head of Internal Supervisory Unit	61	2015
Bambang Dwiyanto	Caretaker Head of Corporate Secretary	52	2016
Dedeng Hidayat	Head of Corporate Legal Service Unit	51	2015
Muhammad Ahsin Sidqi	Head of IPP Procurement Unit	52	2017
Zulfarida Faluzy.....	Head of Corporate Performance Control Unit	56	2015
Chairani Rachmatullah	Head of Gas and Fuel Unit	49	2015
Harlen.....	Head of Coal Unit	49	2015
Sripeni Inten Cahyani	President Director of PT Indonesia Power	50	2016
Hikmat Drajat	President Director of PT Indonesia Comnets Plus	51	2016
Iwan Agung Firstantara	President Director of PT PJB	49	2016
Rudy Hendra Prastowo.....	Caretaker of President Director of PT PLN Batubara	53	2018
Gong Matua Hasibuan.....	Head of Power Transactions and Business Partnership Division	50	2017

Adi Priyatno

Adi Priyatno was appointed as our Head of System Planning Division in August 2017. Formerly, he was our Senior Manager of System Planning-II of PLN Head Office (2015-2017), Planning Manager of PLN Distribution Unit of Jakarta Raya and Tangerang (2014-2015), Senior Specialist II Risk Management of PLN Bali Distribution (2012-2014), Area Manager of Bogor at PLN Distribution Unit of West Jawa and Banten (2012), Manager of Service and Transmission at PLN Distribution Unit of West Jawa and Banten (2010-2011), and Area Manager of East Bali Transmission at PLN Bali Distribution (2009-2010). He obtained a Bachelor's degree in Electrical Engineering from Sepuluh Nopember Institute of Technology. He obtained his Master's degree in Electrical Engineering from Bandung Institute of Technology, a Master's degree in Management from IPWI Jakarta, and a Master's degree in Business Management from Jakarta Institute of Management Studies.

Doddy Benyamin Pangaribuan

Doddy Benyamin Pangaribuan was appointed as our Head of Corporate Planning Division in November 2015. Formerly, he was our General Manager of PLN Bali Distribution (2015), General Manager of PLN Riau and Riau Island Region (2014), Senior Manager of Corporate Strategic Planning at PLN Head Office (2010-2013), Senior Specialist II Corporate Planning at PLN Head Office (2010), Area Manager of Gambir Transmission at PLN Distribution Unit of East Jawa and Banten (2009-2010), Area Manager of Tasikmalaya Service and Transmission at PLN Distribution Unit of East Jawa and Banten (2008-2009), and Area Manager of South Bali Transmission at PLN Bali Distribution (2004-2008). He obtained a Bachelor's degree in Electrical Engineering from Bandung Institute of Technology and a Master's degree in Social Studies from HEC Montreal Canada.

Tohari Hadiat

Tohari Hadiat was appointed as our Head of Renewable Energy Division in March 2017. Formerly, he was General Manager of PLN East Kalimantan and North Kalimantan Region (2015-2017), Senior Manager of Corporate Commerce at Commerce Division PLN Head Office (2012-2015), Manager of Commerce at PLN East Kalimantan Region (2010-2012), Service and Network-Area Manager at PLN West Jawa & Banten Distribution (2008-2010), and Service and Network-Area Manager at PLN Jakarta Raya & Tangerang Distribution (2006-2008). He obtained a Bachelor's degree in Geodesy Engineering from Bandung Institute of Technology and a Master's degree in Business Management in Tenaga Nasional University.

Wasito Adi

Wasito Adi was appointed as our Head of Risk Management & Compliance Division in March 2017. Formerly, he was our General Manager of PLN South Sulawesi, South-East Sulawesi, and West Sulawesi Region (2015-2017), General Manager of PLN West Sumatra Region (2013-2015), and Distribution Manager of PLN Central Jawa and Yogyakarta Distribution (2011-2013). He obtained a Bachelor's degree in Industrial Engineering from Sepuluh Nopember Institute of Technology.

Septa Hamid

Septa Hamid was appointed as our Head Supply Chain Management Division in October 2015. He served as Caretaker Head of Supply Chain Management Division at Procurement and Primer Energy Directorate at PLN Head Office since 2013. He obtained a Bachelor's degree in Mechanical Engineering from Bandung Institute of Technology and a Master's degree in Engineering from University of Indonesia.

Anang Yahmadi

Anang Yahmadi was appointed as our Head of Construction Administration Division in September 2017. Formerly, he was our General Manager of PLN UIP Central Java I Region (2016-2017), General Manager of PLN UIP VI (2016), Senior Specialist II Performance (Caretaker of General Manager) at PLN UIP VI (2014-2016), and Senior Manager of Geothermal Energy at PLN Head Office (2011-2014). He obtained a Bachelor's degree in Civil Engineering (Construction) from Brawijaya University and a Master's degree in Civil Engineering (Construction) from the University of Melbourne.

Khusnul Mubien

Khusnul Mubien was appointed as our Head of Budget Division in December 2017. Formerly, he was our Senior Specialist I of Planning and Controlling Investment Budgeting (external organizational assignments) in PT Pelayanan Listrik Nasional Batam (2016-2017), Senior Specialist I of Financial Planning (external organizational assignments) Director of Finance and Administration in PT Pelayanan Listrik Nasional Tarakan (2013-2016), and Senior Specialist II of Financial Planning (external organizational assignments) Director of Finance and Administration in PT Pelayanan Listrik Nasional Tarakan (2010-2012). He obtained a Bachelor's degree in Accounting from Brawijaya University and a Master's degree in Management from the University of Krisnadwipayana.

Alfath Cordea Imalutha

Alfath Cordea Imalutha was appointed as our Head of Accounting Division in September 2017. Formerly, she was our Senior Manager of Financial Planning at PLN Head Office (2014-2017), Caretaker of Senior Manager of Financial Planning at PLN Head office (2013-2014), Senior Specialist II of Finance at PLN Head Office (2013), Senior Specialist II of Funding at PLN Head Office (2013), and Analyst of Funding. She obtained a Bachelor's degree in Accounting from STESIA and a Master's degree in International Management from Prasetya Mulya University.

Adi Lumakso

Adi Lumakso was appointed as our Head of Construction Division of Sumatra Region in September 2017. Formerly, he was our Head of Construction Administration Division in October 2015, General Manager of PLN UIP V (2014-2015), Senior Specialist II Performance at PLN UIP X (2013-2014), Senior Manager of Generation Construction at PLN Head Office (2012-2013), Manager of Planning at PLN Kalimantan Generation and Transmission (2009-2012), and Project Manager of Lampung and Bengkulu Generation and Transmission at PLN South Sumatra, Jambi, Lampung, Bengkulu, Bangka Belitung, and West Sumatra Generation and Transmission (2007-2009). He obtained a Bachelor's degree in Electrical Engineering from Sriwijaya University and a Bachelor's degree in Civil Engineering from Diponegoro University. He obtained a Master's degree in Business Management from Tenaga Nasional University and a Master's degree in Business Management from Sriwijaya University.

Sulistyo Biantoro

Sulistyo Biantoro was appointed as our Head of Finance Division in September 2017. Formerly, he was Head of Accounting Division in December 2015, Senior Specialist I Accounting Management at PLN Head Office (2014-2015), and Head of Regional Audit V at Internal Supervisory Unit PLN Head Office (2012-2014). He obtained a Bachelor's degree in Accounting from STAN and a Master's degree of Commerce in Professional Accounting from The University of Queensland, Australia.

R. Yuddy Setyo Wicaksono

R. Yuddy Setyo Wicaksono was appointed as our Head of Commerce Division in September 2017. Formerly, he was our Senior Executive of Commerce in PT Indonesia Power (2014-2017), and General Manager at South Kalimantan and Central Kalimantan Region (2011-2013). He obtained a Bachelor's degree in Physics Engineering from Bandung Institute of Technology, Indonesia in 1993 and a Master's degree in Mechanical Engineering from the University of Indonesia in 2004.

Tisna Gunawan

Tisna Gunawan was appointed as our Head of General Division in August 2016. Formerly, he was our Inspector Auditor of Sumatra Region (2016), Chief Audit V Region at PLN Head Office (2014-2015), Senior Specialist administrative audit subscription at PLN Head Office (2013-2014), Manager of Commercial and Customer Service at PLN Bali Distribution (2012-2013), Manager of Commercial and Customer Service at PLN Papua Distribution (2010-2011), Manager at West Jawa and Banten Distribution (2007-2010), and Manager at Central Jawa Distribution (2004-2007). He obtained a Bachelor's degree in Accounting from University of Andalas, Indonesia in 1991.

Iskandar

Iskandar was appointed as Head of Treasury in October 2015. Formerly, he was our Senior Specialist I of Finance Management (external organizational assignments) in PT Indonesia Comnets Plus (2012-2015) and Finance Director, Senior Manager of Revenue Management in Treasury Division PT PLN (Persero) Head Office (2010-2012), Finance Manager in PT PLN (Persero) West Sumatra Region (2008-2010), and Deputy Manager of Revenue Management in PT PLN (Persero) West Jawa and Banten Distribution (2007-2008). He obtained a Bachelor's degree in Accounting from Islamic University of Indonesia in 1994.

Karyawan Aji

Karyawan Aji was appointed as our Head of Talent Development Division in March 2018. Formerly, he was our Head of Organisation Development Division at PLN Head Office (2017-2018), General Manager at PLN West Nusa Tenggara Region (2016-2017), and Executive Manager in Directorate of Business Region of Central Jawa at PLN Head Office (2015-2016). He obtained a Bachelor's degree in Nuclear Engineering from Gadjah Mada University in 1992 and a Master's degree in Electrical Engineering from Curtin University of Technology in 2009.

Bagus Setiawan

Bagus Setiawan was appointed as our Head of Human Capital Management System Division in September 2015. Formerly, he was our Head of Human Resources Development Division (2013-2015), Senior Specialist Human Resources Management at PLN Head Office (2011-2013), General Manager at PLN Bangka Belitung Region (2010-2011), General Manager at PLN Maluku Region (2009-2010), Corporate Strategic Planning Manager at PLN Head Office (2009), and Manager at PLN Palembang Region (2006-2009). He obtained a Bachelor's degree in Mechanical Engineering from Institut Teknologi Bandung, Indonesia in 1993 and a Master's degree in Business Management from University of Missouri, USA in 2006.

Hariyadi Krismiyanto

Hariyadi Krismiyanto was appointed Head of Construction Division of Kalimantan Region in December 2015. Formerly, he was our General Manager at PLN UIP IX (2015), Senior Engineer Construction I at UIP X (2013-2014), Planning Manager at PLN UIP Nusa Tenggara Region

(2010-2013), and Engineering Manager at PLN UIP Kalimantan dan Nusa Tenggara Region (2009-2010). He obtained a Bachelor's degree in Nuclear Engineering from University of Gajah Mada, Indonesia in 1993 and a Master's degree in Business Management from Bandung Institute of Technology, Indonesia, in 2001.

Bima Putrajaya

Bima Putrajaya was appointed as our Head of Operations Division of Western Java Region in September 2017. Formerly, he was our General Manager of PLN West Kalimantan Region (2016-2017), Expert of Risk Management (external organizational assignments) in PT Pelayaran Bahtera Adhiguna (2014-2016), Senior Specialist I of Risk Management (external organizational assignments) in PT Pelayaran Bahtera Adhiguna (2012-2014), and Senior Manager of Risk Monitoring and Reporting at PT PLN Head Office (2011-2012). He obtained a Bachelor's degree in Electrical Engineering from Gadjah Mada University. He obtained a Master's degree in Business Administration from Tenaga Nasional University and a Master's degree in Management from STIE IPWIJA.

Sulaiman Daud

Sulaiman Daud was appointed as our Head of Construction Division of Central Java Region in June 2017. Formerly, he was our Head of Operations Division of Central Java Region at PLN Head Office (2015-2017), Head of Construction Division of Central Java Region (2015), General Manager of PLN Aceh Region (2010- 2015), and Manager of Planning Division at PLN Aceh Region (2009-2010). He obtained a Bachelor's degree in Civil Engineering from Syiah Kuala University, Indonesia.

Aji Sutrisno

Aji Sutrisno was appointed our Head of Construction Division of Eastern Java, Bali, & Nusa Tenggara Region in December 2017. Formerly, he was our General Manager at PLN UIP West Kalimantan Region (2017), Senior Specialist I of Performances (Caretaker of General Manager) at PLN UIP West Kalimantan Region (2016-2017), Senior Specialist I of Performances (Caretaker of General Manager) at PLN UIP IX (2016), and Senior Manager of Construction Division of Kalimantan Region (2015). He obtained a Bachelor's degree in Mechanical Engineering from the Bandung Institute of Technology and a Master's degree in Business Management from University of Missouri.

Didik Mardiyanto

Didik Mardiyanto was appointed as our Head of Construction Division of Sulawesi & Nusa Tenggara Region in September 2017. Formerly, he was our General Manager of PLN Construction Management Center (2014- 2017), General Manager at PLN UIP I (2013-2014), Senior Specialist II of Performances (Caretaker of General Manager) at PLN UIP Sumatera I (2011-2013), and Senior Manager of Recruitment and Selection at PLN Head Office (2010-2011). He obtained a Bachelor's degree in Civil Engineering (Construction) from the University of Gadjah Mada and a Bachelor's degree in Corporate Economics from UT. He also obtained a Master's degree in Human Resources from Curtin University of Technology.

Eman Prijono Wasito Adi

Eman Prijono Wasito Adi was appointed as our Head of Construction Division of Maluku & Papua Region in March 2018. Formerly, he was our General Manager at PLN Electricity Maintenance Center (2016-2018), Manager at PLN Electricity Maintenance Center (2014-2015), Manager of Planning at PLN South Kalimantan and Center Kalimantan (2013-2014), and Deputy Manager of Planning at PLN South Kalimantan and Center Kalimantan (2012). He obtained a Bachelor's degree in Mechanical Engineering from University of Indonesia.

Ali Mudin

Ali Mudin was appointed as our Head of Internal Audit since September 2015. Currently, he also serves as President Commissioner of PT Asuransi Jiwa — Beringin Jiwa Sejahtera (2011-present), after serving as Commissioner (2006-2011). Previously he pursued a career in PT Bank BRI (Persero) Tbk with a variety of positions and duties, including: Head of Internal Audit, BRI Head Office (2008-2015), Head of Logistics Division, BRI Head Office (2005-2008) and various managerial positions in PT BRI (Persero) Tbk. He holds a Bachelor's degree in Law from Padjadjaran University in Bandung (1981) and a Master's degree in Economics Management/Marketing Management (2006) from Padjadjaran University, Bandung.

Bambang Dwiyanto

Bambang Dwiyanto was appointed as our Corporate Secretary in August 2016. Formerly, he was assigned to PLN Head Office (2015-2016) and held the position of Senior Manager of Stakeholder Management. He was Senior Manager of Corporate Communications at PLN Pusat (2010-2015), Senior Specialist II on Communication (2010), Senior Specialist I on Stakeholder Management (2016). He obtained a Bachelor's degree in Communication Science from Gadjah Mada University, Indonesia in 1990.

Dedeng Hidayat

Dedeng Hidayat was appointed as our Head of Corporate Legal Service Unit in August 2015. Formerly, he was assigned to PLN Pusat (2013-2014) and held the position of Senior Specialist I on Legal Services. He was Head of Regulatory and Compliance Senior Specialist I on Legal Services (2010-2013). Manager of Institutional Communications at PLN Pusat (2009-2010). He obtained a Bachelor's degree in Law from the University of Indonesia, Indonesia in 1992 and a Master's degree in Management from University of Indonesia, Indonesia in 2002.

Muhammad Ahsin Sidqi

Muhamad Ahsin Sidqi was appointed as our IPP Procurement Unit in March 2017. Formerly, he was assigned to PLN Generation for South Sumatra (2015-2017) and held the position of General Manager. He obtained a Bachelor's degree in Nuclear Engineering from Gadjah Mada University, Indonesia in 1985.

Zulfarida Faluzy

Zulfarida Faluzy was appointed as our Head of Corporate Performance Control Unit in August 2015. Formerly, she was assigned to PLN Region Bangka Belitung (2012-2013) and held the position of General Manager. She was Senior Specialist II of Performance at PLN Region Bangka Belitung (2011-2012), Head of the Program Areas of Metamorphosis at PLN Pusat (2010-2011), Manager Service Area of Kalideres at PLN Distribution Region Jakarta Raya and Tangerang (2008-2010). She obtained a Bachelor's degree in Electrical Engineering from Bandung Institute of Technology, Indonesia in 1991 and a Master's degree in Business Law from University of Indonesia, Indonesia in 2012.

Chairani Rachmatullah

Chairani Rachmatullah was appointed as our Head of Gas and Fuel Unit in October 2015. Formerly, she was assigned to PLN Pusat (2015) and held the position of Division Head of Gas and Fuel. She was Senior Manager of Planning and Evaluation of Primary Energy at PLN Pusat (2013-2015), Senior Manager of Primary Energy Planning (2011-2013), Senior Engineer II on Natural Resources and Energy (2011-Now) and Senior Specialist II on Commerce and Energy (2009-2011). She obtained a Bachelor's degree in Civil Engineering from Sriwijaya University, Indonesia in 1992 and a Master's degree in Management from the University of Melbourne, Australia in 2005.

Harlen

Harlen was appointed as our Head of Coal Unit in October 2015. Previously, He has served as Head of Coal Division for Primary Energy and Procurement Directorate PT PLN (Persero) Head Office (2015), Senior Specialist II Audit Technique (a working duty for PT Indonesia Power) in PT PLN (Persero) Head Office (2012-2015), Electrical and Mechanical Engineer (a working duty for PT Indonesia Power) in PT PLN (Persero) Head Office (2009-2011), and Junior Specialist of Electrical and Mechanical (a working duty for PT Indonesia Power) in PT PLN (Persero) Head Office (1997-2008). He obtained a Bachelor's degree in Electrical Engineering from Brawijaya University in 1993.

Sripeni Inten Cahyani

Sripeni Inten Cahyani was appointed as President Director of PT Indonesia Power in 2016. Formerly, she was assigned to PT Indonesia Power which is PLN's subsidiary company and held the position of Vice President of Finance (2010). She also served as Head of Finance and Insurance Division (2010), as Senior Specialist II of Finance in Corporate Finance Division — Directorate of Finance in PT PLN (Persero) Head Office (2013), and as Director of Finance in PT Indonesia Power in (2013). She obtained her Bachelor's degree in Chemistry in 1992 from University of Diponegoro Semarang. She also obtained a Master's degree in Management from PPM School of Management in 2001.

Hikmat Drajat

Hikmat Drajat was appointed as Caretaker of President Director of PT Indonesia Comnet Plus and also Caretaker of Commercial Director in 2016. Formerly, he was our Senior Specialist of Employee Report Information at PT Indonesia Comnets Plus (2009-2016), and Expertise at Employee Report Information at PT Indonesia Comnets Plus (2001-2008). He obtained a Bachelor's degree in Electrical Engineering from Gadjah Mada University, Indonesia in 1992 and a Master's degree in Management from HEC Montreal Canada in 2000.

Iwan Agung Firstantara

Iwan Agung Firstantara was appointed as Caretaker of President Director of PT PJB in 2016. Formerly, he was our Expertise of Commerce in Directorate of Commerce at PT PJB (2015- 2016), Senior Specialist I of Commerce in Directorate of Commerce at PT PJB (2013- 2015), Senior Manager of Planning and Controlling of Human Capital Management System at PT PJB (2012-2013), Senior Manager of Human Capital & Facility at PT PJB (2012), General Manager of Planning at Gresik Generation Unit (2012) and General Manager of UPHT (2011-2012). He obtained a Bachelor's degree in Mechanical Engineering from Gadjah Mada University, Indonesia in 1993 and a Master's degree in Management from Gadjah Mada University, Indonesia in 2005.

Rudy Hendra Prastowo

Rudy Hendra Prastowo was appointed as Caretaker of President Director of PT PLN Batubara in 2018. Formerly, he was our Head of Construction Division of Kalimantan Region (2017-2018), and General Manager at PLN Certification Center (2016-2017). He obtained a Bachelor's degree in Mechanical Engineering from Bandung Institute of Technology, Indonesia in 1992. He also obtained a Master's degree in Management from Bandung Institute of Technology, Indonesia in 2002 and a Master's degree in Management from Tenaga Nasional University, Malaysia in 2006.

Gong Matua Hasibuan

Gong Matua Hasibuan was appointed as our Head of Power Transactions and Business Partnership Division in December 2017. Formerly, he was our Head of Budget Division, Head of Budget Planning and Controlling Division at PLN Head Office (2012-2015), Senior Specialist II of Finance at PLN Head Office (2012), Head of Corporate Finance Division at PLN Head Office (2011-2012), Senior Manager of Budget Planning at PLN Head Office (2010-2011), and Senior Specialist II Management of Share Ownership and Covenant at PLN Head Office (2008-2010). He obtained a Bachelor's degree in Accounting from STIE Nusa Bangsa and a Master's degree in Financial Management from University of Indonesia.

Compensation

Payment of compensation to the commissioners and directors is determined at the annual general meeting of shareholders. In 2017, total salaries of the commissioners and directors as a group was Rp.289,151 billion (U.S.\$21.2 million).

Employees

As of December 31, 2017, we had a total of approximately 54,820 employees, of whom approximately 46,062 were employed by our Company and approximately 8,758 were employed by our subsidiaries. The following table sets forth details of our employees by unit types for our Company and the aggregate number of employees of our subsidiaries:

Unit Assignment	Year ended December 31,		
	2015	2016	2017
Head office	1,049	1,731	2,367
External organizational assignments	316	395	205
Distribution	11,218	11,375	11,415
Regions	16,577	17,923	18,672
Transmission and dispatch centers	4,909	5,555	6,094
Generation	2,706	2,596	2,699
Projects	2,028	2,668	2,921
Services	1,647	1,713	1,689
Company Total	<u>40,450</u>	<u>43,956</u>	<u>46,062</u>
Subsidiaries Total	<u>7,144</u>	<u>7,671</u>	<u>8,758</u>
Total (Company and Subsidiaries)	<u>47,594</u>	<u>51,627</u>	<u>54,820</u>

The following table sets forth the details of the employees of our Company by profession as of December 31, 2017:

	Year ended December 31, 2017
Profession	
Generation	6,841
Transmission	6,839
Distribution	12,816
Engineering & Construction.....	2,625
Customer Services	4,897
Finances	3,255
Other.....	<u>8,789</u>
Total	<u>46,062</u>

In addition to our full-time employees, we also rely on outsourced labor. We hire outsourced labor through a labor service agreement with Perusahaan Penyedia Jasa Tenaga Kerja, PT Haleyora Powerindo and PT Laksana Sejahtera, among others. Each outsourced employee signs a contract with the respective labor service provider. Wages and benefits, terms of employment and dispute settlement mechanisms for outsourced employees are determined by such labor service provider.

As of December 31, 2017, approximately 46,062 of our employees were members of a labor union, Serikat Pekerja PT PLN (Persero). We consider our relationship with the union to be good.

We have a number of training and education programs for our employees. Training and development is generally classified into the following five categories:

- basic management training and middle management training;
- functional training, such as training with respect to generation, transmission, distribution;
- support training to develop interpersonal skills, negotiation skills and presentation skills;
- individual training, such as providing employees with educational scholarships; and
- on-the-job training through specific assignments.

We have a retirement fund, Dana Pensiun PLN (the “Fund”), which provides retirement benefits based on the retirement base income and the respective employment period. Retirement benefits are provided from the Fund on a monthly basis to the former employee on the basis of a contributory program (the “Defined Benefit Program”). Contributions are made by us and the employee to the Defined Benefit Program during the employment period based on the rules of the Fund.

Other retirement benefits that an employee receives and that are funded by us include a post-employment benefit amount and health care benefits. Each employee also participates in a retirement training program shortly before retirement.

We also provide certain health care benefits to our employees and their families. Health care benefits include in-patient and out-patient treatment and periodic medical check-ups.

SOLE SHAREHOLDER

The following table sets forth certain information with respect to our shareholder as of December 31, 2017:

Shareholder	Number of shares	%
Republic of Indonesia	109,826,527	100
Total	<u>109,826,527</u>	<u>100</u>

DESCRIPTION OF THE NOTES

1 General

The particular terms of any Notes sold will be described in an accompanying supplement to this Offering Memorandum (a “Pricing Supplement”). The terms and conditions set forth in this “*Description of the Notes*” will apply to each Note unless otherwise specified in the applicable Pricing Supplement and in such Note.

The Notes will be duly authorized issues of Notes of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the “Company”) (each Note, a “Note,” and collectively, the “Notes”), and will be issued pursuant to an Indenture dated as of April 25, 2018, between the Company and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”), as amended, supplemented and/or restated from time to time (the “Indenture”). The terms of the Notes will be subject to all the provisions contained in the Indenture and the conditions set out in the Notes (as modified and supplemented by the applicable Pricing Supplement, the “Conditions”). The Pricing Supplement for each Note will supplement the Conditions and may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of the Note. The holders of the Notes (the “Holders”) will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Indenture. A copy of the Indenture is on file and may be inspected at the Corporate Trust Office of the Trustee in New York City. All capitalized terms used in this “*Description of the Notes*” but not defined herein shall have the meanings assigned to them in the Indenture and in the Pricing Supplement.

The Notes will (i) be direct, unsecured and unsubordinated obligations of the Company; (ii) be senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (iii) rank at least pari passu in right of payment with all other unsecured and unsubordinated obligations of the Company (subject to any priority rights of such unsubordinated obligations pursuant to applicable law); and (iv) be effectively subordinated to its secured obligations and the obligations of its Subsidiaries.

Registered Notes will be issued in fully registered form, without coupons. Registered Notes may be issued in certificated form (the “Certificated Securities”), or may be represented by one or more registered global securities (each, a “Registered Global Security”) held by or on behalf of the Depository. Certificated Securities will be available only in the limited circumstances set forth in the Indenture. The Registered Notes, and transfers thereof, will be registered as provided in Clause 2.6 of the Indenture. Any person in whose name a Registered Note is registered may (to the fullest extent permitted by applicable law) be treated at all times, by all persons and for all purposes as the absolute owner of such Registered Note regardless of any notice of ownership, theft, loss or any writing thereon.

Bearer Notes will be issued in bearer form, with interest coupons (the “Coupons”) relating to interest bearing Bearer Notes (and, where appropriate, talons for further Coupons (the “Talons”)) attached, except in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in the Conditions are not applicable. Installment Notes will be issued with one or more Receipts attached. Bearer Notes may be issued in definitive form, or may be represented by one or more global securities, which may be Temporary Global Notes held by or on behalf of the Depository. Interests in Temporary Global Notes will be exchangeable for interests in a Permanent Global Note or Definitive Bearer Notes on or after the Exchange Date upon certification as provided therein. Definitive Bearer Notes will be available only in the limited circumstances set forth in the Indenture. Any holder of any Bearer Note, Receipt, Coupon or Talon may (to the fullest extent permitted by applicable law) be treated at all times, by all persons and for all purposes as the absolute owner of such Bearer Note, Receipt, Coupon or Talon regardless of any notice of ownership, theft, loss or any writing thereon. Title to the Bearer Notes and any Coupon will pass by delivery.

2 Principal and Interest

The Company, for value received, will promise to pay to the Holder of a Note on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption to the Holder under the Conditions and (unless the Note does not bear interest under the Conditions) to pay to the Holder interest in respect of such Note from the Interest Commencement Date in arrears at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

2A. General

A Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Installment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the Pricing Supplement. Details of such Interest, Redemption and/or Payment Basis not set out in this “*Description of the Notes*” will be set out in the Pricing Supplement.

2B. Interest and Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note will bear interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 2B(h).
- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
 - (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note will bear interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 2B(h). Such Interest Payment Date(s) is either shown in the Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is shown in the Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months, or other period shown in the Pricing Supplement as the Interest Period, after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
 - (ii) *Business Day Convention:* If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 2B(b)(iii)(A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the Pricing Supplement;
- (y) the Designated Maturity is a period specified in the Pricing Supplement; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Pricing Supplement.

For the purposes of this Condition 2B(b)(iii)(A), “Floating Rate,” “Calculation Agent,” “Floating Rate Option,” “Designated Maturity,” “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the Pricing Supplement.

- (y) If the Relevant Screen Page is not available or, if Condition 2B(b)(iii)(B)(x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if Condition 2B(b)(iii)(B)(x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If Condition 2B(b)(iii)(B)(y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Company suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market as at 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market as at 11.00 a.m. (Brussels time), as the case may be, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 2B(b)(iii)(B)(z), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the Pricing Supplement.
- (c) **Zero Coupon Notes**: Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as described in Condition 8(b) (i)).
- (d) **Dual Currency Notes**: In the case of Dual Currency Notes (other than Rupiah-Denominated U.S. Dollar Settled Notes), if the rate or amount of interest is to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the Pricing Supplement. In the case of Rupiah-Denominated U.S. Dollar Settled Notes, the provisions set forth in Condition 3.3(c) (without amendment) shall apply, unless otherwise specified in the Pricing Supplement.
- (e) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the Pricing Supplement.
- (f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 2B to the Relevant Date.
- (g) **Margin, Maximum/Minimum Rates of Interest, Installment Amounts and Redemption Amounts and Rounding**:
- (i) If any Margin is specified in the Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x) above, or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y) above, calculated in accordance with Condition 2B(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 2B(g)(ii) below.
- (ii) If any Maximum or Minimum Rate of Interest, Installment Amount or Redemption Amount is specified in the Pricing Supplement, then any Rate of Interest, Installment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Installment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Installment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Installment Amount to be notified to the Trustee, the Company, each of the Paying Agents, the Holders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 2B(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 7, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 2B(i) but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (j) **Definitions:** For the purposes of this “*Description of the Notes*,” unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “**Business Day**” means:
- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial center for such currency; and/or
 - (ii) in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or

- (iii) in the case of a currency and/or one or more Business Centers, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Center(s) or, if no currency is indicated, generally in each of the Business Centers.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

- (i) if **“Actual/Actual”** or **“Actual/Actual — ISDA”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y1”** = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y2”** = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M1”** = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M2”** = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D1”** = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and
- “D2”** = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)]+[30 x (M_2 - M_1)]+(D_2 - D_1)}{360}$$

where:

- “**Y1**” = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y2**” = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M1**” = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M2**” = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D1**” = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and
- “**D2**” = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2-Y_1)]+[30 x (M_2 - M_1)]+(D_2 - D_1)}{360}$$

where

- “**Y1**” = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y2**” = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M1**” = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M2**” = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D1**” = is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and
- “**D2**” = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; or

(vii) if “**Actual/Actual-ICMA**” is specified in the Pricing Supplement,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such in the Pricing Supplement or, if none is so specified, the Interest Payment Date(s).

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Pricing Supplement or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the Pricing Supplement.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the Pricing Supplement.

“Rate of Interest” means the rate or rates of interest payable from time to time in respect of the Note specified in the Pricing Supplement or calculated or determined in accordance with the Conditions and/or the provisions of the Pricing Supplement.

“Redemption Amount” means the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, each as specified as such in, or determined in accordance with the provisions of, the Pricing Supplement.

“Redemption Date” means the Optional Redemption Date specified in the applicable Pricing Supplement or such other date set for redemption of the Notes pursuant to Condition 8.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the Pricing Supplement.

“Reference Rate” means the rate specified as such in the Pricing Supplement.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the Pricing Supplement.

“Specified Currency” means the currency specified as such in the Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on November 19, 2007 or any successor thereto.

- (k) **Calculation Agent:** The Notes may also have the benefit (to the extent provisions made for one or more calculation agents in the relevant Pricing Supplement) of a calculation agency agreement between, *inter alios*, the Company and any calculation agent appointed by the Company (the “Calculation Agent” or “Calculation Agents,” as applicable). The Company shall procure that there shall at all times be one or more Calculation Agent(s) if provision is made for them in the Pricing Supplement and for so long as any Note is Outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Installment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to make any determination or conversion required pursuant to Condition 3.3(c) or any other Condition, or to comply with any other requirement, the Company shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

2C. Redenomination, Renominalization and Reconventioning

Where Redenomination, Renominalization and Reconventioning is specified in the Pricing Supplement as being Applicable in relation to Notes denominated in the currency of a member state which becomes or announces its intention to become a Participating Member State:

- (i) the Company may, without the consent of the Holders of the Notes, on giving not less than 30 days’ prior notice (“Redenomination Notice”) to the Holders of the Notes in accordance with Condition 13, the Trustee and the Paying Agents, with effect from (and including) the Redenomination Date, elect that the aggregate principal amount of each Holder’s holding of Notes shall be redenominated into Euro with an aggregate principal amount equal to their aggregate principal amount in the Relevant Currency and the amount of such payment shall be rounded to the nearest Euro 0.01. The rate for the conversion of the Relevant Currency (as defined below) into Euro shall be the rate established by the Council of the European Union pursuant to Article 881(4) of the Treaty establishing the European Community (the “**Treaty**”) (including compliance with rules relating to roundings in accordance with applicable European Community regulations).

“**Participating Member State**” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty.

“**Redenomination Date**” means any Interest Payment Date falling on or after the date on which the country of the Relevant Currency becomes a Participating Member State, which is specified in the Redenomination Notice.

“**Relevant Currency**” means the currency of denomination of the Notes shown on such Notes and which is specified in the Pricing Supplement.

On or after the Redenomination Date, notwithstanding the other provisions of the Conditions, all payments in respect of the Notes will be made solely in Euro, including payments of interest in respect of a period before the Redenomination Date. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee. The Company shall appoint an exchange agent if necessary to comply with the procedures and requirements of the relevant clearing system and to give effect to this Condition 2C. None of the Company, the Trustee or any Paying Agent shall be liable to any Holder of Notes or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith;

- (ii) *provided* that the Notes are represented by a Registered Global Security, the Company may, without the consent of the Holders of the Notes, on giving at least 30 days' prior notice to the Holders of the Notes in accordance with Condition 13, the Trustee and the Paying Agents, with effect from the Redenomination Date or such later date as it may specify in that notice, procure that the denomination of the Notes shall be Euro 0.01 and integral multiples thereof;
- (iii) the Company may, without the consent of the Holders of the Notes, on giving at least 30 days' prior notice to the Holders of the Notes in accordance with Condition 13, the Trustee and the Paying Agents, with effect from the Redenomination Date or such later Interest Payment Date as it may specify in that notice, elect to amend the conventions which apply in respect of the Notes.

In particular, the Company may procure that the definition of "Business Day" shall be amended so as to be a day on which TARGET System is operating, and that, if interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365) or on any other basis which is customary and which the Company deems appropriate.

3 Payments

- (a) **Registered Notes:** Principal of (and premium, if any, on) the Notes will be payable against surrender of such Notes at the Corporate Trust Office of the Trustee or, subject to applicable laws and regulations, at the specified office of the applicable Paying Agent in the Place of Payment, by check in the Specified Currency drawn on, or by transfer to an account in the Specified Currency maintained by the Holder with, a bank located in New York City (or the financial center set out in the Pricing Supplement (the "Financial Center")). Unless specified in the Pricing Supplement, payment of interest (including Additional Amounts (as defined below)) on Registered Notes will be made to the persons in whose name such Registered Notes are registered at the end of the close of the DTC business day or the Clearstream Luxembourg/Euroclear business day before the date on which interest is to be paid (each, a "Record Date"); *provided* that if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose names such Registered Notes are registered as of a subsequent record date established by the Company by notice, as provided in Condition 13, by or on behalf of the Company to the Holders not less than 15 days preceding such subsequent record date, such record date to be not less than 10 days preceding the date of payment of such defaulted interest. Payment of interest on Certificated Securities will be made (i) by a check in the Specified Currency drawn on a bank in New York City (or the Financial Center) mailed to the Holder at such Holder's registered address or (ii) upon application by the Holder of at least the amount specified in the Pricing Supplement in principal amount of Certificated Securities to the Trustee not later than the relevant Record Date, by wire transfer in immediately available funds to an

account maintained by the Holder with a bank in New York City (or the Financial Center), Payment of interest on a Registered Global Security will be made (i) by a check in the Specified Currency drawn on a bank in New York City delivered to the Depositary at its registered address or (ii) by wire transfer in immediately available funds to an account in the Specified Currency maintained by the Depositary with a bank in New York City (or the Financial Center set out). For purposes of this Condition 3(a), “DTC business day” means any day on which DTC is open for business and “Clearstream Luxembourg/Euroclear business day” means any day on which Clearstream Luxembourg and Euroclear are open for business.

- (b) **Bearer Notes:** Each Paying Agent acting through its specified office outside the United States, its territories and possessions will make payments of principal and interest in respect of Bearer Notes in accordance with the terms of the Indenture applicable to such Bearer Notes; *provided, however*, that:
- (i) if any Temporary Global Note, Permanent Global Note, Definitive Bearer Note, Receipt or Coupon is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent should promptly notify the Company of such presentation or surrender and shall not make payment against the same until it is so instructed by the Company and has received the amount to be so paid;
 - (ii) a Paying Agent should not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Bearer Notes, if it is not able to establish that the Trustee has received (whether or not at the due time) the full amount of any payment due to it;
 - (iii) the relevant Paying Agent should cancel or procure the cancellation of each Temporary Global Note, Permanent Global Note, Definitive Bearer Note (together, in the case of early redemption, with such unmatured Receipts or Coupons or unexchanged Talons as are attached to such Definitive Bearer Note at the time of such redemption), Receipt, Coupon or Talon, against surrender of which it has made full payment and should (if such Paying Agent is not the Trustee) deliver or procure the delivery of each Temporary Global Note, Permanent Global Note, Definitive Bearer Note (together with, as aforesaid, such unmatured Receipts or Coupons or unexchanged Talons as are attached to or surrendered with the relevant Bearer Notes), Receipt, Coupon or Talon so cancelled by it to, or to the order of, the Trustee;
 - (iv) in the case of payment of interest, principal or, as the case may be, any other amount against presentation of a Temporary Global Note, the relevant Paying Agent should note or procure that there is noted on the schedule thereto (or, in the absence of a schedule, on the face thereof) the amount of such payment and, in the case of payment of principal, the remaining principal amount of the relevant Bearer Note (which shall be the previous principal amount less the principal which has then been paid) and shall procure the signature of such notation on its behalf;
 - (v) payments of principal and interest on Bearer Global Notes will be made in a manner specified in the relevant Bearer Global Notes against presentation or surrender, as the case may be, of such Bearer Global Note at the office of the relevant Paying Agent outside of the United States. A record of each payment of principal and any payment of interest will be made on each relevant Bearer Global Note by the relevant Paying Agent and such record will be prima facie evidence that the payment in question has been made absent manifest error; or

- (vi) if the relevant Pricing Supplement specifies that U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (the “D Rules”) are applicable and the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note” or “Temporary Global Note exchangeable for Definitive Notes,” interest will only be paid on a Temporary Global Note upon certification in accordance with Schedule 2 of the Indenture. In addition, no payments will be made under the Temporary Global Note following the Exchange Date unless exchange for interests in the Permanent Global Note is improperly withheld or refused.

Payments of principal and interest on Definitive Bearer Notes will be made against presentation or surrender, as the case may be, of such Definitive Bearer Note at the office of the relevant Paying Agent outside of the United States. Payments of interest in respect of Definitive Bearer Notes will be made only against surrender of Coupons and payments of principal will be made only against surrender of Receipts, in each case, at the office of the relevant Paying Agent outside of the United States.

Notwithstanding the provisions of Condition 3, if payments of interest and/or principal on a Bearer Note will be made in U.S. Dollars, such payments may be made in the United States if:

- (1) the Company has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (2) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (3) such payment is then permitted under United States law without involving, in the opinion of the Company, adverse tax consequences to the Company.

A record of each payment of principal and any payment of interest will be made on each relevant Bearer Global Notes by the relevant Paying Agent and such record will be prima facie evidence that the payment in question has been made, absent manifest error.

No Paying Agent should exercise any Lien, right of set-off or similar claim against any person to whom it makes any payment under Condition 3 in respect thereof, nor shall any commission or expenses be charged by it to any such person in respect thereof.

If a Paying Agent makes any payment in accordance with Condition 3, it should notify the Trustee of the amount so paid by it, the serial number of the relevant Temporary Global Note, Permanent Global Note or Definitive Bearer Note against presentation or surrender of which payment of principal or interest was made and the number of Coupons by maturity against which payment of interest was made.

If at any time and for any reason a Paying Agent makes a partial payment in respect of a Temporary Global Note, Permanent Global Note, Definitive Bearer Note, Receipt or Coupon presented for payment to it, such Paying Agent should endorse thereon a statement indicating the amount and date of such payment.

- (c) **Rupiah-Denominated U.S. Dollar Settled Notes.** Each date on which principal of, premium, if any, or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) shall become payable under the terms of the Indenture or the Notes shall be a scheduled payment date in respect of the Notes (“Scheduled Payment Date”). For the purposes of determining any Scheduled Payment Date, no adjustment will be made as a result of the application of Reference Rate Disruption Fallbacks (as set out and defined below). If Reference Rate Disruption Fallbacks applies to a Rate Calculation Date, the relevant payment will be made as soon as practicable (but in no event later than two Business Days) after the date on which the Reference Rate (as defined below) is determined and no adjustment will apply to the amount of interest payable.

All payments on the Notes will be made by the Company in U.S. dollars. To determine the amount in U.S. dollars required to be paid under the Notes from time to time, the amount of principal, premium, if any, and interest under the Notes in Indonesian Rupiah shall be converted by the Calculation Agent into U.S. dollars at the relevant Reference Rate on the relevant Rate Calculation Date. In respect of a day that would otherwise have been a Rate Calculation Date (a “Scheduled Rate Calculation Date”), if an Unscheduled Holiday or a Reference Rate Disruption Event occurs on such Scheduled Rate Calculation Date, the Calculation Agent shall apply the relevant following fallbacks (the “Reference Rate Disruption Fallbacks”) for the determination of the Reference Rate, in the following order, until the Reference Rate can be determined:

- (4) Valuation Postponement;
- (5) Fallback Reference Price;
- (6) Fallback Survey Valuation Postponement; and
- (7) IDR Dealer Quotation Determination.

If a Rate Calculation Date is postponed due to the occurrence of an Unscheduled Holiday, then such Rate Calculation Date shall fall on the next following Jakarta Business Day, provided that if the Rate Calculation Date has not occurred on or before the 14th calendar day after the Scheduled Rate Calculation Date (any such period being a “Deferral Period”), then the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday, shall be deemed to be the Rate Calculation Date and the Reference Rate shall be determined in accordance with the next applicable Reference Rate Disruption Fallback.

For the avoidance of doubt, any delay in the payment of principal or interest following an adjustment or postponement of the Scheduled Rate Fixing Date or if Valuation Postponement applies shall not result in an Event of Default. The Company shall verify the Reference Rate provided by the Calculation Agent and under no circumstances shall the Calculation Agent be responsible or liable to any person for the accuracy of the Reference Rate or any calculation in respect thereof.

In this Condition 3.3(c), the terms below have the following meanings for purposes of all amounts due in respect of principal of, premium, if any, and interest contemplated in the Indenture and the Notes:

“**Cumulative Events Limit**” means that, notwithstanding anything to the contrary in the Indenture, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in aggregate from the Scheduled Rate Calculation Date.

“Fallback Reference Price” means the Indonesian Rupiah/U.S. Dollar specified rate for U.S. Dollars, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Jakarta Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Jakarta Business Day. The rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC IDR Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Indonesian Rupiah/U.S. Dollar markets for the purpose of determining the SFEMC IDR Indicative Survey Rate).

“Fallback Survey Valuation Postponement” means, in the event that the Fallback Reference Price is not available on or before 12:00 noon local time in Jakarta on the Fallback Survey Valuation Postponement End Date, that the Reference Rate will be determined in accordance with the next applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Calculation Date), in accordance with the Indenture. For the avoidance of doubt, the Cumulative Events Limit, if applicable, does not preclude postponement of valuation in accordance with this Reference Rate Disruption Fallback.

“Fallback Survey Valuation Postponement End Date” means the third Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of any of (i) Valuation Postponement, (ii) Deferral Period, or (iii) Cumulative Events Limit, as applicable.

“IDR Dealer” means each investment banking firm of internationally recognized standing (or a local affiliate thereof) selected by the Issuer and notified to the Calculation Agent as being a dealer from time to time for the purposes providing IDR Dealer Quotations.

“IDR Dealer Quotation” means, in respect of each IDR Dealer, the Indonesian Rupiah/U.S. Dollar spot rate for U.S. Dollars, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Jakarta Business Days, determined by such IDR Dealer in good faith and a commercially reasonable manner at or about 10:00 a.m. Jakarta time.

“IDR Dealer Quotation Date” means as soon as reasonably practicable on the Fallback Survey Valuation Postponement End Date and (if relevant) the two Jakarta Business Days (or days that would have been Jakarta Business Days but for Unscheduled Holidays) after the Fallback Survey Valuation Postponement End Date.

“IDR Dealer Quotation Determination” means that the Calculation Agent shall, on the IDR Dealer Quotation Date(s), seek IDR Dealer Quotations from each IDR Dealer. The Reference Price will be determined on the first IDR Dealer Quotation Date on which the Calculation Agent receives one or more IDR Dealer Quotations on or before 3:30 p.m. local time in Jakarta on such date. If, on a IDR Dealer Quotation Date: (i) two or more IDR Dealer Quotations are obtained at or before 3:30 p.m. local time in Jakarta on such day, the Reference Price will be the arithmetic average of such IDR Dealer Quotations; or (ii) only one IDR Dealer Quotation is obtained at or before 3:30 p.m. local time in Jakarta on such day, the Reference Price will be that IDR Dealer Quotation. If no IDR Dealer Quotations have been received on or before 3:30 p.m. local time in Jakarta on the final IDR Dealer Quotation Date, the Reference Rate will be determined in accordance with the next applicable Reference Rate Disruption Fallback on such day.

“**Jakarta Business Day**” means each day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in Jakarta.

“**Rate Calculation Date**” means, in relation to a Scheduled Payment Date (and subject to the occurrence of an Unscheduled Holiday or Reference Rate Disruption Event), the date falling two Jakarta Business Days before such Scheduled Payment Date.

“**Reference Rate**” means, in respect of a Rate Calculation Date, the Indonesian Rupiah/U.S. Dollar weighted average spot rate in the interbank market based on traded IDR/USD spot foreign exchange transactions during a specified time period which are captured on a real time basis, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Jakarta Business Days, published by Bank Sentral Republik Indonesia (“**Bank Indonesia**”) at approximately 10:00 a.m., Jakarta time on that Rate Calculation Date as the Jakarta Interbank Spot Dollar Rate USD - IDR on Bank Indonesia’s website (<http://www.bi.go.id/en/moneter/informasi-kurs/referensi-jisdor/Default.aspx>) or otherwise made available by Bank Indonesia (or its successor as administrator). If a Reference Rate Disruption Event occurs, then the Reference Rate for the relevant Rate Calculation Date shall be determined by the Calculation Agent in accordance with the Reference Rate Disruption Fallbacks.

“**Reference Rate Disruption Event**” means it becomes impossible to obtain the Reference Rate on a Rate Calculation Date (or, if different, the day on which rates for that Rate Calculation Date would, in the ordinary course, be published or announced by the relevant price source), as determined by the Calculation Agent, acting in good faith, in accordance with the Reference Rate Disruption Fallbacks.

“**Unscheduled Holiday**” means a day that is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Jakarta, two Business Days prior to the relevant Rate Calculation Date.

“**Valuation Postponement**” means, subject to the Cumulative Events Limit, that the Reference Rate will be determined on the Business Day first succeeding the day on which the Reference Rate Disruption Event ceases to exist. If the Cumulative Events Limit is triggered, the next Reference Rate Disruption Fallback will apply.

- (d) Unless another Business Day Convention is specified in the Pricing Supplement in any case where the date of payment of the principal of, or interest (including Additional Amounts) on, the Notes shall not be a Business Day, then payment of principal or interest (including Additional Amounts) need not be made on such date at the relevant place of payment but may be made on the next succeeding Business Day. Any payment made on a date other than the date on which such payment is due as set forth herein shall have the same force and effect as if made on the date on which such payment is due, and no interest shall accrue for the period after such date.
- (e) Interest in respect of any period of less than one year shall be calculated on the basis of the Day Count Fraction specified in the Pricing Supplement.
- (f) All monies paid by or on behalf of the Company to the Trustee or to any Paying Agent for payment of the principal of, or interest (including Additional Amounts) on, any Note and not applied but remaining unclaimed for two years after the date upon which such amount shall have become due and payable shall be repaid to or for the account of the Company by the Trustee or such Paying Agent, the receipt of such repayment to be confirmed

promptly in writing by or on behalf of the Company. The Holder or Holders of such Note or Notes shall thereafter look only to the Company for the payment that such Holder may be entitled to collect, and all liability of the Trustee or such Paying Agent with respect to such monies shall thereupon cease.

- (g) If the Company at any time defaults in the payment of any principal of, or interest (including Additional Amounts) on, the Notes, the Company will pay interest on the amount in default (to the extent permitted by law in the case of interest on interest), calculated for each day until paid, at the rate per annum specified in the Pricing Supplement, together with Additional Amounts, if applicable.

4 Taxation; Additional Amounts

All payments made by the Company or a Successor (as defined under Condition 6A (Limitations on Consolidation, Merger and Sale of Assets)) under or with respect to the Notes will be made free and clear of and without withholding or deduction for or on account of, any present or future Taxes imposed or levied by, or on behalf of, any government or political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax in any jurisdiction in which the Company or the Successor is organized or is otherwise resident for tax purposes (each, a “Relevant Taxing Jurisdiction”), or any jurisdiction from or through which payment is made (together with the Relevant Taxing Jurisdiction, the “Relevant Jurisdiction”), unless the Company or the Successor is required to withhold or deduct Taxes by law or by the interpretation or administration thereof. If the Company or a Successor is required to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Jurisdiction, from any payment made under or with respect to the Notes, the Company or the Successor will pay such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by each Holder of Notes (including Additional Amounts) after such withholding or deduction will equal the amount the Holder would have received if such Taxes had not been withheld or deducted; *provided, however*, that no Additional Amounts will be payable with respect to:

- (A) (1) any Tax that would not have been imposed, payable or due but for:
 - (a) the existence of any present or former connection between the Holder (or the beneficial owner of, or person ultimately entitled to receive the payment on such Notes or if the Holder is an estate, nominee, trust, partnership or corporation, between a fiduciary, settler, beneficiary, partner of, member or shareholder of, or possessor of power over the Holder) and the Relevant Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in (including through a branch, agency or otherwise), or being physically present in, the Relevant Jurisdiction) other than the mere holding of the Notes or enforcement of rights thereunder or the receipt of payments in respect thereof;
 - (b) the failure of the Holder or beneficial owner to comply with a timely request of the Company or a Successor addressed to the Holder or beneficial owner, as the case may be, or the Paying Agent addressed to the Holder to provide information concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner;

- (c) the presentation of such Note (where presentation is required) for payment more than 30 days after the date on which the payment of the principal of, premium (if any), or interest on, such Note became due and payable pursuant to the Conditions or was made or duly provided for, whichever is later; or
 - (d) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (2) any estate, inheritance, gift, sale, value added, use, excise, transfer, personal property or similar tax, assessment or other governmental charge;
 - (3) any Tax which is payable otherwise than by deduction or withholding from payments of (or in respect of) principal of, premium, if any, or interest on the Notes;
 - (4) any withholding or deduction by or on behalf of a Holder of Notes who would have been able to avoid such deduction or withholding by presenting the relevant Note to another Paying Agent; or
 - (5) any combination of Taxes referred to in the preceding clauses (1), (2), (3) and (4); or
- (B) any payment of the principal of, or premium, if any, or interest on, such Note to such Holder, if the Holder is a fiduciary, corporation, limited liability company, partnership or person other than the sole beneficial owner of any payment to the extent that, under the laws of a Relevant Jurisdiction, such payment would be required to be included in income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a shareholder of that corporation, a member of that partnership or limited liability company or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, shareholder, partner, or beneficial owner been the Holder thereof; or
- (C) any combination of Clauses (A) and (B).

Notwithstanding the foregoing, the limitations on the obligations of the Company or a Successor, as applicable, to pay Additional Amounts set forth in clause (A)(1)(b) above will not apply if the provision of any certification, identification, information, documentation or other reporting requirement described in such clause (A)(1)(b) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as U.S. Internal Revenue Service Forms W-8 and W-9). For the avoidance of doubt, no Holder or beneficial owner of a Note shall have any obligation to establish eligibility for a reduced withholding tax rate under any income tax treaty.

Notwithstanding any other provision of the Indenture or the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As a result of these provisions, there are circumstances in which taxes could be withheld or deducted but Additional Amounts would not be payable to some or all beneficial owners of Notes.

Whenever in the Indenture or in the Conditions there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under or with respect to any of the Notes, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Upon request, the Company or a Successor will provide the Trustee with documentation reasonably satisfactory to evidence the payment of Additional Amounts.

5 Covenants

For the purposes of this “*Description of the Notes*,” the terms defined below have the following meanings:

“**Bankruptcy Law**” means any applicable bankruptcy, insolvency or similar law for the relief of debtors.

“**Board of Directors**” means, with respect to any Person, the board of directors or comparable governing body of such Person or any committee thereof duly authorized to take the action purported to be taken by such committee.

“**Capital Stock**” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, including common stock, preferred stock, limited liability company interests and partnership interests.

“**Change of Control**” means the occurrence of an event in which the Government of Indonesia ceases to own, directly or indirectly, (x) more than 50% of the Company’s issued and paid up shares, including voting securities of the Company or, (y) if and when issued, the Class A Dwiwarna Share.

“**Change of Control Offer**” means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

- (1) the provision of the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (2) the purchase price and the date of purchase (which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Change of Control Offer Payment Date”);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on and after the Change of Control Offer Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Change of Control Offer will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Change of Control Offer Payment Date;

- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Change of Control Offer Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased;
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued will be in a principal amount of the minimum Specified Denomination; and
- (8) the CUSIP number(s) and/or ISIN/Common code(s), as applicable, of the Notes.

One Business Day prior to the Change of Control Offer Payment Date, the Company will deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Change of Control Offer Payment Date. On the Change of Control Offer Payment Date, the Company will (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to a Change of Control Offer; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee will promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; provided that each Note purchased and each new Note issued will be in a principal amount of the minimum Specified Denomination. The Company will publicly announce the results of a Change of Control Offer as soon as practicable after the Change of Control Offer Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to a Change of Control Offer.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Change of Control Offer, including a brief description of the events requiring the Company to make the Change of Control Offer, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the requirements of the relevant Change of Control Offer, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations under the Notes or the Indenture by virtue of their compliance with such securities laws or regulations.

“Change of Control Triggering Event” means a Change of Control, *provided* that, in the event that the Notes are, on the Rating Date, rated Investment Grade by two or more Rating Agencies, a Change of Control Triggering Event shall mean the occurrence of both a Change of Control and a Rating Decline. No Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Class A Dwiwarna Share” means, if and when issued, the special share held by the Government of Indonesia that has exclusive rights as set out in the Company's Articles of Association.

“Clearstream” means Clearstream Banking, société anonyme, or the successor to its securities clearance and settlement operations.

“Debt” means, with respect to any Person as of any date of determination, without duplication, (i) all obligations, contingent or otherwise, of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, notes or other similar instruments, (iii) all obligations of such Person in respect of letters of credit or other similar instruments, (iv) all obligations of such Person to pay the unpaid purchase price of any property or service, (v) all obligations secured by a Lien on any property or asset of such Person, whether or not such obligations are assumed by such Person and (vi) all obligations of others guaranteed by such Person to the extent of such guarantees and, for clauses (i) through (v) above, which has a final maturity of one year or more. The amount of Debt of any Person as of any date of determination shall be the outstanding balance at such date of all unconditional obligations as described above, the maximum liability of such Person for any such contingent obligations at such date and, in the case of clause (v) above, the lesser of the fair market value (as determined in good faith by the board of directors of such Person) at such date of the property or asset of such Person subject to a Lien securing the obligations of others and the amount of such obligations secured.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“DTC” means The Depository Trust Company and its successors.

“Euroclear” means Euroclear Bank SA/NV or any successor thereof.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Fitch” means Fitch Ratings Ltd., and its successors.

“guarantee” means any obligation, contingent or otherwise, of any Person, directly or indirectly guaranteeing any Debt or other obligation of any other Person and includes any obligation, direct or indirect, contingent or otherwise, of such Person: (1) to purchase or pay (or advance or supply funds for the purchase or payment of) Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or (2) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “guarantee,” when used as a verb, and “guaranteed” have correlative meanings.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest Rating Categories, by S&P or any of its successors or assigns or a rating of “Aaa,” or “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest Rating Categories, by Moody’s or any of its successors or assigns or a rating of “AAA,” “AA,” “A,” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest Rating Categories, by Fitch or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P, Moody’s or Fitch or two or three of them, as the case may be.

“Issue Date” means the date of issuance of the relevant Note.

“**Lien**” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind but excluding liens arising by operation of law).

“**Material Subsidiary**” means a Subsidiary that owns a Principal Property.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors.

“**Officer**” means the President Director or any other director of the Company.

“**Officer’s Certificate**” means a certificate signed by the President Director or two directors of the Company.

“**Opinion of Counsel**” means a written opinion from legal counsel which opinion is reasonably acceptable to the Trustee that meets the requirements of the Indenture; *provided* that legal counsel shall be entitled to rely on a certificate of the Company as to matters of fact.

“**Outstanding**” means, in respect of the Notes of any Series, the Notes of that Series authenticated and delivered pursuant to this Indenture except (i) Notes of that Series theretofore cancelled by the Trustee or delivered to the Trustee for cancellation or held by the Trustee for reissuance but not reissued by the Trustee; (ii) Notes of that Series that have been called for redemption in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof (and premium, if any) and any interest thereon shall have been made available to the Trustee; (iii) Notes of a Series in lieu of or in substitution for which other Notes of a Series shall have been authenticated and delivered pursuant to this Indenture; (iv) Notes owned or controlled, directly or indirectly, by the Company or by any Affiliate of the Company as provided in Clause 6.4.1 of the Indenture; or (v) (for the purpose only of ascertaining the principal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Bearer Notes that are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Principal Property**” means any asset or property of the Company or a Subsidiary whether at the date of initial issuance of the Notes owned or thereafter acquired (other than any such asset or property, or portion thereof, reasonably determined by the Company not to be of material importance to the total business conducted by the Company and its Subsidiaries, taken as a whole).

“**Rating Agencies**” means (i) S&P, (ii) Moody’s and (iii) Fitch; *provided* that, if one or more of S&P, Moody’s or Fitch shall not make a rating of the Notes publicly available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P, Moody’s or Fitch, or any combination thereof, as the case may be.

“**Rating Category**” means (i) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); (iii) with respect to Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” or “D” (or equivalent successor categories); and (iv) the equivalent of any such category of S&P, Moody’s or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-”

for S&P; “1,” “2” and “3” for Moody’s; “+” and “-” for Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from “BB+” to “BB,” as well as from “BB-” to “B+,” will constitute a decrease of one gradation).

“Rating Date” means, in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (i) a Change of Control and (ii) a public notice of the occurrence of a Change of Control.

“Rating Decline” means, in connection with a Change of Control Triggering Event, the occurrence on, or within 90 days after, the date, or public notice of the occurrence of, a Change of Control (which period shall be extended (by no more than an additional three months after consummation of the Change of Control) so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

- (1) in the event the Notes are rated by all three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any two of the three or all three Rating Agencies shall be below Investment Grade;
- (2) in the event the Notes are rated by any two, but not three, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by either of such two Rating Agencies shall be below Investment Grade;
- (3) in the event the Notes are rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade;
- (4) in the event the Notes are rated below Investment Grade by all three of the Rating Agencies on the Rating Date, the rating of the Notes by any two of the three or all three Rating Agencies shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories); or
- (5) in the event the Notes are rated below Investment Grade by any two, but not three, Rating Agencies on the Rating Date, the rating of the Notes by both of such two Rating Agencies shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Rupiah” or **“Indonesian Rupiah”** means such currency of Indonesia as at the time of payment is legal tender for the payment of public and private debts.

“S&P” means S&P Global Ratings, a business unit of S&P Financial Services LLC, and its successors.

“Securities” means bonds, debentures, notes or other similar securities having an original maturity of more than one year from its date of issue which (1) are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market, and (2) either

(A) are by their terms payable, or confer a right to receive payment, in any currency other than Rupiah or (B) are denominated in Rupiah and more than 50% of the aggregate principal amount of the offering of such international investment securities is initially distributed outside Indonesia by or with the Company's consent.

“**Securities Act**” means United States Securities Act of 1933, as amended.

“**Stated Maturity**” means, (1) with respect to any Debt, the date specified in such debt security as the fixed date on which the final installment of principal of such Debt is due and payable as set forth in the documentation governing such Debt and (2) with respect to any scheduled installment of principal of or interest on any Debt, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Debt.

“**Subsidiary**” means, with respect to any Person:

- (1) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of the capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of the Board of Directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or a combination thereof).

Unless otherwise specified, “**Subsidiary**” refers to a Subsidiary of the Company.

“**Tax**” means any tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto).

“**U.S. Government Obligations**” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

5A. Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, the Company will make a Change of Control Offer to purchase all Outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the Change of Control Offer Payment Date.

The Company will timely repay all Debt or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. If the Company is unable to repay (or cause to be repaid) all of the Debt, if any, that would prohibit the repurchase of the Notes or is unable to obtain the

requisite consents of the holders of such Debt, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, the Company would continue to be prohibited from purchasing the Notes. In that case, the failure of the Company to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control Triggering Event under the Notes may also constitute an event of default under other debt instruments of the Company and its Subsidiaries. Future Debt of the Company or its Subsidiaries may also (1) prohibit the Company from purchasing the Notes in the event of a Change of Control Triggering Event; (2) provide that a Change of Control Triggering Event is a default; or (3) require the repayment or repurchase of such Debt upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Debt, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on the Company or its Subsidiaries. The ability of the Company to pay cash to Holders of the Notes following the occurrence of a Change of Control Triggering Event may be limited by the financial resources then available to the Company. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See *“Risk Factors — Risks Relating to the Notes — We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of a Change of Control Triggering Event as required by the indenture governing the Notes.”*

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Company and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control.

Except as described above with respect to a Change of Control Offer, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

5B. Negative Pledge

So long as any of the Notes are Outstanding, the Company will not create or permit to subsist, and the Company will ensure that none of its Material Subsidiaries will create or permit to subsist, any Lien for the benefit of the holders of any Securities upon the whole or any part of its property or assets, present or future, to secure: (i) payment of any sum due in respect of any Securities; (ii) any payment under any guarantee of any Securities; or (iii) any indemnity or other like obligation in respect of any Securities, without in any such case at the same time or prior thereto making effective provisions whereby the Notes are accorded (x) the same Liens equally and ratably as are created or subsisting to secure such Securities, or (y) such other Lien as may be consented to by the holders of a majority in aggregate principal amount of the Outstanding Notes; *provided, however*, that the foregoing restriction shall not apply to:

- (a) any Lien on any property or asset existing at the time of acquisition of such property or asset by the Company, *provided* that such Lien was not created in contemplation of such acquisition or in connection therewith and the principal, capital or nominal amount of the Securities secured by such Lien outstanding at the time of such acquisition is not increased; or
- (b) any Lien arising out of the refinancing, extension, refunding or renewal, in whole or in part, of a Lien permitted under clause (a) above or any Securities secured by any Lien permitted by clause (a) above, *provided* that the principal, capital or nominal amount of such Securities is not increased and such Securities are not secured by any additional property or assets.

5C. Provision of Financial Statements and Reports

- (1) For so long as any of the Notes remain Outstanding, the Company will file with the Trustee and furnish to the Holders upon request:
 - (a) as soon as they are available, but in any event within 180 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis) in respect of such financial year (including a statement of profit or loss and comprehensive income, statement of financial position and cash flow statements) audited by a member firm of an internationally recognized firm of independent accountants; and
 - (b) as soon as they are available, but in any event within 90 calendar days after the end of each half-year fiscal period of the Company, copies of its financial statements (on a consolidated basis) in respect of such period (including a statement of profit or loss and comprehensive income, statement of financial position and cash flow statements) prepared on a basis consistent with its audited financial statements, together with a certificate signed by the Person then authorized to sign financial statements on behalf of it, to the effect that such financial statements are true in all material respects and present fairly its financial position as at the end of, and the results of its operations for, the relevant half-year period,

provided that if at any time the common stock of the Company is listed for trading on a recognized stock exchange, the Company will additionally file with the Trustee, as soon as they are available but in any event not more than 10 calendar days after they are filed with the recognized stock exchange on which the Company's common stock is at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange.

- (2) In addition, for so long as any of the Notes remain Outstanding, the Company will provide to the Trustee as soon as possible and in any event within 30 days after the Company obtains actual knowledge of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

Further, the Company has agreed that, for so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

5D. Payment of Stamp Duties and Other Taxes

The Company or its Successor (as defined below), as the case may be, will pay any present or future stamp, court or documentary duties or taxes, or any other excise or property taxes, charges or similar levies which arise under the laws of the Republic of Indonesia, or the United States or any political subdivision or taxing authority thereof respectively, from the execution, delivery, registration, enforcement, redemption or retirement of the Notes, the Indenture or any other document referred to therein (other than a transfer of the Notes after issuance of the relevant Series).

5E. Listing of the Program

The Company shall make such filings, registrations or qualifications and take all other necessary action and will use its best efforts to obtain such consents, approvals and authorizations, if any, and satisfy all conditions that the SGX-ST or the ISM may impose on the listing of the Program.

5F. No Payments for Consents

The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, the Company and any of its Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not “qualified institutional buyers” as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company or any of its Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company or any of its Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company or any of its Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

6A. Limitations on Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets, computed on a consolidated basis with its Subsidiaries, (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

- (1) the Company will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the “Successor”) will be a corporation organized and validly existing under the laws of the jurisdiction in which the Company is organized and will expressly assume, by a

supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the Notes, including the obligation to pay Additional Amounts, and the Indenture and the Notes will remain in full force and effect;

- (2) immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and
- (3) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with and that the relevant supplemental indenture is enforceable.

For purposes of this covenant, the conveyance, transfer or lease of all or substantially all of the property or assets of one or more Subsidiaries of the Company, which constitutes all or substantially all of the property or assets of the Company and its Subsidiaries on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the property or assets of the Company.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Company that may adversely affect Holders.

6B. Successor Person Substituted

Upon any consolidation, combination or merger of the Company or any transfer of all or substantially all of the assets of the Company in accordance with Condition 6A (Limitations on Consolidation, Merger and Sale of Assets), in which the Company is not the continuing obligor under the Notes, the surviving entity formed by such consolidation or into which the Company is merged or the Person to which the conveyance, lease or transfer by the Company is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such surviving entity had been named therein as the Company and, except in the case of a lease, the Company will be released from the obligation to pay the principal of and interest on the Notes and all of the Company's other obligations and covenants under the Notes and the Indenture.

7 Events of Default

Each of the following is an "Event of Default" in the Indenture:

- (1) failure to pay interest on any of the Notes when it becomes due and payable and such failure continues for a period of 30 consecutive days;
- (2) failure to pay the principal of, or premium, if any, on, any of the Notes when it becomes due and payable, whether at stated maturity, upon redemption, upon purchase, upon acceleration or otherwise;
- (3) failure by the Company to comply with any of its agreements or covenants described above under Condition 6A (Limitations on Consolidation, Merger and Sale of Assets) or failure to make or consummate a Change of Control Offer in the manner described under Condition 5A (Change of Control Triggering Event);

- (4) failure by the Company to comply with any other agreement or covenant in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and continuance of this failure for 60 consecutive days after written notice of the failure has been given to the Company by the Trustee or by the Holders of at least 25% of the aggregate principal amount of the Notes then outstanding;
- (5) default under any mortgage, indenture or other instrument or agreement under which there may be issued or by which there may be secured or evidenced Debt of the Company or any Material Subsidiary, whether such Debt now exists or is incurred after the Issue Date, which default:
 - (a) is caused by a failure to pay when due principal of, or premium, if any, on, such Debt (subject to the applicable grace period in the relevant documents), or
 - (b) results in the acceleration of such Debt prior to its Stated Maturity, and

in each case, the principal amount of such Debt, together with any other Debt with respect to which an event described in clause (a) or (b) above has occurred and is continuing, aggregates U.S.\$50 million (or the Dollar Equivalent thereof) or more;

- (6) one or more final judgments or orders for the payment of money have been entered by a court or courts of competent jurisdiction against the Company or any Material Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against such Persons to exceed U.S.\$50 million (or the Dollar Equivalent thereof) in the aggregate during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) the Company or any Material Subsidiary pursuant to or within the meaning of any Bankruptcy Law:
 - (a) commences a voluntary case;
 - (b) consents to the entry of an order for relief against it in an involuntary case;
 - (c) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or for all or substantially all of its assets; or
 - (d) effects a general assignment for the benefit of its creditors;
- (8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
 - (a) is for relief against the Company or any Material Subsidiary as debtor in an involuntary case;
 - (b) appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Material Subsidiary or for all or substantially all of the assets of the Company or any Material Subsidiary; or
 - (c) orders the liquidation of the Company or any Material Subsidiary, and, in each case of (a) and (b) above, the order or decree remains unstayed and in effect for 60 consecutive days;

- (9) a moratorium is agreed or declared in respect of any Debt of the Company or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Company or all or a substantial part of the Capital Stock of the Company or the Notes, or the Company shall be prevented from exercising normal control over all or a substantial part of its property;
- (10) the Company repudiates the Indenture or the Notes or does or causes or permits to be done any act or thing evidencing an intention to repudiate such agreement; or
- (11) the capital and/or currency exchange controls in place in the Republic of Indonesia on the Issue Date shall be modified or amended in a manner that prevents or will prevent the Company from performing its payment obligations under the Indenture or the Notes.

If an Event of Default (other than an Event of Default specified in Condition 7(7) or Condition 7(8) with respect to the Company or any Material Subsidiary) shall have occurred and be continuing under the Indenture or the Notes, the Trustee, by written notice to the Company, or the Holders of at least 25% in aggregate principal amount of the Notes then Outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be due and payable immediately. Upon such declaration of acceleration, the aggregate principal of, premium, if any, and accrued and unpaid interest on the Outstanding Notes shall immediately become due and payable; *provided, however*, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of such Outstanding Notes by written notice to the Company and the Trustee, may on behalf of all of the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences in respect of the Notes if:

- (1) the rescission would not conflict with any judgment or decree;
- (2) all Events of Default, other than non-payment of principal or interest that has become due solely because of the acceleration, have been cured or waived;
- (3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;
- (4) the Company has paid all sums paid or advanced by the Trustee hereunder and its compensation and reimbursed the Trustee for its expenses, disbursements and advances and those of its agents and counsel; and
- (5) in the event of the cure or waiver of an Event of Default of the type described in Condition 7(7) or Condition 7(8) above, the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto. If an Event of Default specified in Condition 7(7) or Condition 7(8) occurs with respect to the Company or any Material Subsidiary and is continuing, then all unpaid principal of, premium, if any, and accrued and unpaid interest on all of the outstanding Notes shall ipso facto become and be immediately due and payable without any notice, declaration or other act on the part of the Trustee or any Holder.

Officers of the Company must certify to the Trustee, on or before a date not more than 120 calendar days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Subsidiaries and the Company's performance under the Indenture and the Notes and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See Condition 5C (Provisions of Financial Statements and Reports).

8 Redemption

(a) Redemption by Installments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled, each Note that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified in the Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided in the Pricing Supplement, is its nominal amount) or, in the case of a Note falling within Condition 8(a)(i) above, its final Installment Amount.

(b) Early Redemption:

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 8(c) or upon it becoming due and payable as provided in Condition 7, shall be the Amortized Face Amount (calculated as provided below) of such Note unless otherwise specified in the Pricing Supplement.
- (B) Subject to the provisions of Condition 8(b)(i)(C) below, the Amortized Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (which, if none is shown in the Pricing Supplement, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 8(c) or upon it becoming due and payable as provided in Condition 7 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in Condition 8(b)(i)(B) above, except that such Condition shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortized Face Amount in accordance with this Condition 8(b)(i)(C) shall continue to be made (both before and after

judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 7.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Pricing Supplement.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 8(c) or upon it becoming due and payable as provided in Condition 7, shall be the Final Redemption Amount unless otherwise specified in the Pricing Supplement.

(c) **Redemption for Taxation Reasons:**

The Notes may be redeemed, at the option of the Company or a Successor, in whole but not in part, on any Interest Payment Date (if the Note is either a Floating Rate Note or an Index Linked Note) or at any time (if the Note is neither a Floating Rate Note nor an Index Linked Note), upon giving not less than 30 days' but not more than 60 days' notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Successor, as the case may be, for redemption if, as a result of:

- (i) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Jurisdiction affecting taxation; or
- (ii) any change in the existing official position, application or interpretation of or the stating of an official position, regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is announced and becomes effective on or after the Issue Date, the Company or a Successor, as the case may be, is, or on the next date of interest payment on the Notes would be, required to pay Additional Amounts with respect to any payment due or to become due under the Notes or the Indenture, and such requirement cannot be avoided by the taking of reasonable measures by the Company or a Successor, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company or a Successor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due; *provided further* that where any such requirement to pay Additional Amounts is due to taxes of the Republic of Indonesia (or any political subdivision or taxing authority thereof or therein), the Company or such Successor shall be permitted to redeem the Notes in accordance with the provisions above only if the rate of withholding or deduction so required is in excess of 20.0% (the "Minimum Withholding Level").

Prior to the publication and mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company or a Successor, as the case may be, will deliver to the Trustee:

- (1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company or a Successor, as the case may be, by taking reasonable measures available to it;

- (2) an Opinion of Counsel or an opinion of a tax consultant of internationally recognized standing that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph; and
- (3) in the case of a redemption where the Minimum Withholding Level has been exceeded, an Opinion of Counsel or an opinion of a tax consultant of internationally recognized standing that the Company or the Successor, as the case may be, has or will become obliged to pay Additional Amounts exceeding the Minimum Withholding Level.

The Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

(d) Redemption at the Option of the Company:

If Call Option is specified in the Pricing Supplement, the Company or a Successor may, on giving not less than 20 nor more than 30 days' irrevocable notice to the Holders (or such other notice period as may be specified in the Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8(d).

In the case of a partial redemption, the notice to Holders shall, in the case of Bearer Notes, also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, specify the nominal amount of Registered Notes selected and the holder(s) of such Registered Notes, to be redeemed, which shall have been selected in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable stock exchange or depository requirements.

(e) Redemption at the Option of Holders:

If Put Option is specified in the Pricing Supplement, the Company or a Successor shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Company (or such other notice period as may be specified in the Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period with the Registrar or any Transfer Agent at its specified office, in the case of Definitive Notes together with the relevant Definitive Note representing such Note(s). No Note so deposited and option exercised may be withdrawn without the prior consent of the Company.

(f) **Partly Paid Notes:**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the provisions specified in the Pricing Supplement.

9 Replacement, Exchange and Transfer of Notes

- (a) Upon the terms and subject to the conditions set forth in the Indenture, in case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Company will execute, and upon the request of the Company, the Trustee or the Registrar, as applicable, shall authenticate and deliver a new Note bearing a number not contemporaneously Outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and in substitution for the apparently destroyed, lost or stolen Note. In every case, the applicant for a substitute Note shall furnish to the Company and to the Trustee such security and/or indemnity as may be required by each of them to indemnify, defend and to save each of them and any agent of the Company or the Trustee harmless and, in every case of destruction, loss or theft, evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, the Holder of such Note, if so requested by the Company, shall pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee and counsel to the Trustee) connected with the preparation and issuance of the substitute Note.
- (b) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Condition 9(e), a Definitive Note may be exchanged for an equal aggregate principal amount of Definitive Notes in different Specified Denominations by the Holder or Holders surrendering the Note or Notes for exchange at the Corporate Trust Office of the Trustee in New York City or at the office of a Transfer Agent, together with a written request for the exchange. Definitive Notes will only be issued in exchange for interests in a Registered Global Security pursuant to Clauses 2.5.7 through 2.5.11 of the Indenture. The exchange of the Notes will be made by a Transfer Agent.
- (c) Upon the terms and subject to the conditions set forth in the Indenture, and subject to Condition 9(e), a Certificated Security may be transferred in whole or in a smaller Specified Denomination by the Holder or Holders surrendering the Certificated Security for transfer at the Corporate Trust Office of the Trustee in New York City or at the office of a Paying Agent accompanied by an executed instrument of transfer substantially as set forth in Exhibit K to the Indenture. The registration of transfer of the Notes will be made by a Transfer Agent.
- (d) The costs and expenses of effecting any exchange, transfer or registration of transfer pursuant to this Condition 9 will be borne by the Company, except for the expenses of delivery (if any) not made by regular mail and the payment of a sum sufficient to cover any stamp duty, transfer tax or other governmental charge or insurance charge that may be imposed in relation thereto, which will be borne by the Holder.
- (e) The Transfer Agent may decline to accept any request for an exchange or registration of transfer of any Registered Note during the period of 15 days preceding the due date for any payment of principal of or interest on the Registered Notes.

10 Trustee

For a description of the duties and the immunities and rights of the Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Trustee to the Holder of a Note are subject to such immunities and rights.

11 Paying Agents; Transfer Agents; Registrar

The Company has initially appointed the Paying Agents, transfer agents and registrar. The Company may at any time appoint additional or other Paying Agents, transfer agents and, with respect to Registered Notes, registrars and terminate the appointment of those or any Paying Agents, transfer agents and registrar, *provided* that while the Notes are Outstanding the Company will maintain in Hong Kong and, with respect to Registered Notes, New York City (i) a Paying Agent, (ii) an office or agency where the Notes may be presented for exchange, transfer and registration of transfer as provided in the Indenture and (iii) with respect to Registered Notes, a registrar. In addition, if and for so long as the Notes are listed on the SGX-ST and the rules of such exchange so require, the Company will maintain a Paying Agent and Transfer Agent in Singapore. Notice of any such termination or appointment and of any change in the office through which any Paying Agent, transfer agent or registrar will act will be promptly given in the manner described in Condition 13.

12 Enforcement

Subject to Clause 4.7 of the Indenture, no Holder shall have any right to institute any proceeding with respect to the Indenture or the Notes or any remedy thereunder, unless the Trustee (i) has failed to act for a period of 60 days after receiving written notice of a continuing Event of Default by such Holder and a request to act by Holders of at least 25% in aggregate principal amount of Notes Outstanding; (ii) has been offered indemnity and/or security satisfactory to it; and (iii) has not received from the Holders of a majority in aggregate principal amount of the Outstanding Notes a direction inconsistent with such request; *provided, however*, that such limitations do not apply to a suit instituted by a Holder for enforcement of payment of the principal of or interest on such Note on or after the due date therefor (after giving effect to the grace period specified in Condition 7(1)).

13 Notices

Notices by the Company will be in writing in the English language and will be mailed to Holders of Notes at their registered addresses and shall be deemed to have been given on the date of such mailing. So long as the Notes are listed on the SGX-ST and the rules of the exchange so require, notices to Holders will be valid if published in a daily newspaper having general circulation in Singapore (which is expected to be The Business Times). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication is not practicable, the Company will have validly given notice if it gives notice in accordance with the rules of the SGX-ST.

14 Further Issues of Notes

The Company may, without the consent of the Holders, create and issue additional Notes with the same terms and conditions as the Notes (or that are the same except for the amount of the first interest payment and for the interest paid on the Notes prior to the issuance of the additional Notes). The Company may consolidate additional Registered Notes with the Outstanding Notes to form a single Series, *provided* that such additional Registered Notes will not have the same CUSIP number, ISIN number, Common Code or other identifying number as the Outstanding

Notes unless the additional Notes are fungible with the Outstanding Notes for U.S. federal income tax purposes. In the case of Bearer Notes to which the D Rules apply that are initially represented by interests in a Temporary Global Note exchangeable for interests in a Permanent Global Note or Definitive Notes, the Company may only consolidate additional Bearer Notes with outstanding Bearer Notes following the exchange of interests in the Temporary Global Note for interests in the Permanent Global Note or Definitive Notes upon certification of non-U.S. beneficial ownership.

15 No Sinking Fund

The Notes will not be subject to any sinking fund.

16 Authentication

A Note shall not become valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Trustee or its agent.

17 Governing Law; Agent for Service; Submission to Jurisdiction; Waiver of Immunity

- (a) The Notes will be governed by and interpreted in accordance with the laws of the State of New York.
- (b) The Company hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or United States Federal Court located in the Borough of Manhattan, New York City, over any suit, action or proceeding arising out of or relating to the Indenture or any Note. The Company hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such courts and any claim that any such suit, action or proceeding brought in such courts has been brought in an inconvenient forum. To the extent that the Company has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Company hereby irrevocably waives such immunity in respect of its obligations under the Indenture and any Note. The Company agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding on the Company and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which the Company, as the case may be, is subject by a suit upon such judgment or in any manner provided by law; *provided* that service of process is effected upon the Company, as the case may be, in the manner specified in the following paragraph or as otherwise permitted by law.
- (c) As long as any of the Notes remain outstanding, the Company shall at all times have an authorized agent in New York City upon whom process may be served in any legal action or proceeding arising out of or relating to the Indenture or any Note. Service of process upon such agent and written notice of such service mailed or delivered to the Company, as the case may be, shall to the fullest extent permitted by law be deemed in every respect effective service of process upon the Company in any such legal action or proceeding. The Company has appointed CT Corporation System as its agent for such purpose, and covenants and agrees that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 111 Eighth Avenue, New York, New York 10011 (or at such other address or at the office of such other authorized agent as the Company, as the case may be, may designate by written notice to the Trustee from time to time).
- (d) The Company will not bring any claim or otherwise initiate any legal action in any court or other tribunal in Indonesia against the Trustee, any Agents or any Holder of the Notes (in their capacity as a Holder of the Notes) on the basis that any offering of the Notes by the Company, the Indenture, any purchase agreements entered into by the Company in

relation to the issue and sale of the Notes by the Issuer under the Indenture or any transaction contemplated thereby is or was invalid or illegal under any Indonesian law, regulation, court order or decree or was induced in any way by fraud, manipulation, legal manufacturing, fiction, fabrication or other deceptive means.

18 Purchases of Notes by the Company

The Company may at any time purchase or acquire any of the Notes in any manner and at any price. The Notes which are purchased or acquired by the Company may, at the Company's discretion, be held, resold or surrendered to the Trustee for cancellation.

19 Amendment, Supplement and Waiver

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders under the Indenture and the Notes at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes at the time Outstanding, on behalf of the Holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture and the Notes and certain past defaults under the Indenture and their consequences. Any such consent or waiver by or on behalf of the Holder of the Note shall be conclusive and binding upon such Holder and upon all future Holders of the Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon the Note. Subject to the foregoing, the Indenture and the Notes may be amended by the Company and the Trustee, without the consent of any Holder, for the purpose of, among other things, curing any ambiguity, omission, defect or inconsistency, adding guarantees with respect to the Notes or to secure the Notes or making any change that does not adversely affect the rights of any Holder of the Notes.

In entering into a proposed amendment in accordance with the foregoing, the Trustee shall be entitled to rely conclusively on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate. The Trustee shall not be required to sign any amendment authorized under the Indenture if the amendment adversely affects the rights, duties, liabilities or immunities of the Trustee.

No reference herein to the Indenture and no provision of the Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest and Additional Amount on the Note at the times, place, and rate, and in currency, herein prescribed.

20 Transfers

(a) Restricted Global Security

Unless otherwise specified in the applicable Pricing Supplement, if (1) the owner of a beneficial interest in a Restricted Global Security wishes to transfer such interest (or portion thereof) to a Non-U.S. Person pursuant to Regulation S and (2) such Non-U.S. Person wishes to hold its interest in the Note through a beneficial interest in the Unrestricted Global Security, (x) upon receipt by the Registrar, as Transfer Agent, of:

- (i) instructions from the Holder of the Restricted Global Security directing the Custodian and Registrar to credit or cause to be credited a beneficial interest in the Unrestricted Global Security equal to the principal amount of the beneficial interest in the Restricted Global Security to be transferred; and

- (ii) a certificate from the transferor as to compliance with Regulation S in form and substance required by the Indenture,

and (y) subject to the rules and procedures of DTC and the common depository for Euroclear and Clearstream, the Registrar, as Transfer Agent, shall instruct DTC or other clearing system, as applicable, to increase the Unrestricted Global Security and decrease the Restricted Global Security by such amount in accordance with the foregoing, and the Registrar, as Transfer Agent, shall instruct the common depository for Euroclear and Clearstream, as the case may be, concurrently with such reduction, to increase the principal amount of the Unrestricted Global Security of the same Series by the aggregate principal amount of the beneficial interest in the Restricted Global Security to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in such Unrestricted Global Security equal to the reduction in the principal amount of such Restricted Global Security.

(b) Unrestricted Global Security

Unless otherwise specified in the applicable Pricing Supplement, if the owner of an interest in an Unrestricted Global Security wishes to transfer such interest (or any portion thereof) to a QIB pursuant to Rule 144A prior to the expiration of the Distribution Compliance Period therefor, (x) upon receipt by the Registrar, as Transfer Agent, of:

- (i) instructions from the Holder of the Unrestricted Global Security directing the Custodian and Registrar to credit or cause to be credited a beneficial interest in the Restricted Global Security equal to the principal amount of the beneficial interest in the Unrestricted Global Security to be transferred; and

- (ii) a certificate from the transferor as to compliance with Rule 144A in form and substance required by the Indenture,

and (y) in accordance with the rules and procedures of DTC, the common depository for Euroclear and Clearstream, the Registrar, as Transfer Agent, shall instruct DTC to increase the Restricted Global Security and decrease the Unrestricted Global Security by such amount in accordance with the foregoing and the Registrar, as Transfer Agent, shall instruct the common depository for Euroclear and Clearstream, or the custodian for DTC, as applicable, to reduce the principal amount of the Unrestricted Global Security by the aggregate principal amount of the beneficial interest in such Unrestricted Global Security or to be exchanged or transferred, and the Registrar, as Transfer Agent, shall instruct DTC, concurrently with such reduction, to increase the principal amount of such Restricted Global Security by the aggregate principal amount of the beneficial interest in such Unrestricted Global Security to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in the Restricted Global Security equal to the reduction in the principal amount of such Unrestricted Global Security.

(c) Other Transfers or Exchanges

Any transfer of Restricted Global Securities not described above (other than a transfer of a beneficial interest in a Global Security that does not involve an exchange of such interest for a Certificated Security or a beneficial interest in another Global Security, which must be effected in accordance with applicable law and the rules and procedures of DTC, the common depository for Euroclear and Clearstream, but is not subject to any procedure required by the Indenture) shall be made only upon receipt by the Registrar of such opinions of counsel, certificates and/or other information reasonably required by and satisfactory to it in order to ensure compliance with the Securities Act or in accordance with the above. Certificated Securities will not be exchangeable for Bearer Notes.

21 Legal Defeasance and Covenant Defeasance

The Company may, at its option at any time, elect to have its obligations discharged with respect to the outstanding Notes (“Legal Defeasance”). Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes, and the Indenture shall cease to be of further effect as to all outstanding Notes, except as to:

- (a) rights of Holders to receive payments in respect of the principal of and interest on the Notes when such payments are due from the trust funds referred to below;
- (b) the Company’s obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes, and the maintenance of an office or agency for payment and money for security payments held in trust;
- (c) the rights, powers, trusts, duties and immunities of the Trustee, and the Company’s obligation in connection therewith; and
- (d) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option at any time, elect to have its obligations released with respect to most of the covenants under the Indenture, except as otherwise described in the Indenture (“Covenant Defeasance”), and thereafter any omission to comply with such obligations shall not constitute a Default. In the event Covenant Defeasance occurs, certain Events of Default (not including non-payment) will no longer constitute an Event of Default. The Company may exercise its Legal Defeasance option regardless of whether it previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Company must irrevocably deposit with the Trustee (or other qualifying trustee), as trust funds, in trust solely for the benefit of the Holders, cash in U.S. legal tender or U.S. Government Obligations, or a combination thereof, (or, with respect to Rupiah-Denominated U.S. Dollar Settled Notes only, cash in Indonesian Rupiah) in such amounts as will be sufficient (without consideration of any reinvestment of interest), in the opinion of an internationally recognized firm of independent public accountants selected by the Company, to pay the principal of and interest on the Notes on the scheduled due dates or on the applicable redemption date, as the case may be, provided that the Trustee shall have received an irrevocable written order from the Company instructing the Trustee to apply such U.S. legal tender or the proceeds of such U.S. Government Obligations (or, with respect to Rupiah-Denominated U.S. Dollar Settled Notes only, cash in Indonesian Rupiah) to said payments with respect to such Notes;
- (2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel of internationally recognized standing acceptable to the Trustee with respect to U.S. federal income tax matters confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel of an internationally recognized standing acceptable to the Trustee with respect to U.S. federal income tax matters confirming that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting solely from the borrowing of funds to be applied to such deposit);
- (5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of or constitute a default under the Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound (other than any such Default or default resulting solely from the borrowing of funds to be applied to such deposit);
- (6) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and
- (7) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the conditions precedent provided for in, in the case of the Officers' Certificate, clauses (1) through (6) above and, in the case of the Opinion of Counsel, clauses (2) and/or (3) and (5) of this paragraph have been complied with.

If the funds deposited with the Trustee to effect Covenant Defeasance are insufficient to pay the principal of and interest on the Notes when due, then the obligations of the Company under the Indenture will be revived and no such defeasance will be deemed to have occurred.

22 Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to certain surviving obligations expressly provided for in the Indenture) as to all outstanding Notes of any Series when:

- (1) all the Notes of any Series that have been authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from this trust) have been delivered to the Trustee for cancellation; or
- (2) (A) all Notes of any Series not delivered to the Trustee for cancellation otherwise (i) have become due and payable, (ii) will become due and payable, or may be called for redemption, within one year or (iii) have been called for redemption and, in any case, the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds, in trust solely for the benefit of the Holders, an amount of money as will be sufficient to pay and discharge the entire indebtedness (including all principal and accrued interest) on the Notes not theretofore delivered to the Trustee for cancellation;

- (B) the Company has paid all other sums payable by it under the Indenture;
- (C) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes of that Series at maturity or on the date of redemption, as the case may be; and
- (D) the Holders have a valid, perfected, and exclusive security interest in this trust.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent to satisfaction and discharge have been complied with.

FORMS OF THE NOTES

The Notes of each Series will be in bearer or registered form.

Unless otherwise provided with respect to a particular Series, Notes of each Series sold outside the United States in reliance on Regulation S will be represented by interests in a Temporary Global Note (as defined below), Permanent Global Note (as defined below) or by a global note in registered form, without interest coupons (an “Unrestricted Global Security”), which may be deposited with (i) a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream or (ii) a custodian for, and registered in the name of a nominee of, the DTC for the accounts of its participants, including Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription, beneficial interests in a Temporary Global Note or Bearer Notes issued in definitive form (“Definitive Bearer Note”) may not be offered or sold to, or for the account or benefit of, a U.S. person (unless pursuant to the Securities Act or an exemption therefrom) and may be held only through Euroclear and Clearstream, as the case may be. Temporary Global Notes, Permanent Global Notes and Unrestricted Global Securities will be exchangeable for Bearer Definitive Notes or Certificated Securities, as applicable, only in limited circumstances as more fully described in Global Clearance and Settlement Systems. Notes issued in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”) and the U.S. Treasury regulations thereunder).

Notes of each Series to be issued in registered form (“Registered Notes”) may only be offered and sold in the United States in private transactions: (i) to QIBs or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. Registered Notes of each Series sold in private transactions to QIBs pursuant to Rule 144A will, unless specified in the applicable Pricing Supplement, be represented by a restricted global note in registered form, without coupons (a “Restricted Global Security”) and may be deposited (i) with a custodian for, and registered in the name of a nominee of, DTC, (ii) with, or on behalf of, a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, or (iii) any other clearing system, as specified in the applicable Pricing Supplement.

Registered Notes of each Series sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (such Notes are defined as “4(a)(2) Notes” in the Indenture). Notes in fully-registered certificated form evidencing all or part of a Series of Notes (each a “Certificated Security”) will, at the request of the holder (except to the extent otherwise indicated in the applicable Pricing Supplement), be issued in exchange for interests in an Unrestricted Global Security or a Restricted Global Security (each a “Registered Global Security”) upon compliance with the procedures for exchange as described in the Indenture.

Notes of each Series to be issued in bearer form (“Bearer Notes”) will be initially represented by either a temporary global Note (a “Temporary Global Note”) or a permanent global Note (a “Permanent Global Note”) and together with a Temporary Global Note, a “Bearer Global Note”) that will be deposited on the Issue Date thereof with a common depository on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream.

The relevant Pricing Supplement for any Bearer Notes will specify whether U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “C Rules”) or U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “D Rules”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days (including unilateral rights to roll over or extend), that neither the C Rules nor the D Rules are applicable.

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “Any United States person (as defined in the Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code.”

Bearer Notes will be assigned a Common Code and relevant ISIN (as applicable). Registered Notes will be assigned (as applicable) a Common Code, ISIN and CUSIP number. If a further Series is issued in the case of a Temporary Global Note, the Trustee shall arrange that the Notes of such Series shall be assigned (as applicable) a CUSIP number, Common Code and a relevant ISIN that are different from the CUSIP number, Common Code and relevant ISIN, as the case may be, assigned to Notes of any other Series until such time as is required by applicable law. In the case of Bearer Notes to which the D Rules apply, a Temporary Global Note that is exchangeable for an interest in a Permanent Global Note or Definitive Notes must have a different Common Code, ISIN or other identifying number from the identifying number assigned to Notes of any other Series until the exchange of interests in the Temporary Global Note for interests in the Permanent Global Note or Definitive Notes upon certification of non-U.S. beneficial ownership. At the end of such period, the CUSIP number, Common Code and relevant ISIN, as the case may be, thereafter applicable to the Notes of the relevant Series will be notified by the Trustee to the Relevant Dealers.

Each Temporary Global Note will be exchangeable, free of charge to the Noteholder, on or after its Exchange Date:

- (a) if the relevant Pricing Supplement indicates that such Temporary Global Note is issued in compliance with the C Rules or in a transaction to which neither the C Rules nor the D Rules are applicable (as to which, see “*Subscription and Sale*”), in whole, but not in part, for the Definitive Bearer Notes described below; and
- (b) if the relevant Pricing Supplement indicates that such Temporary Global Note is issued in compliance with the D Rules, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Indenture for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Bearer Notes.

Each Permanent Global Note will be exchangeable, free of charge to the Noteholder, on or after its Exchange Date in whole but not in part for Definitive Bearer Notes:

- (a) if an Event of Default has occurred in respect of any Note of the relevant Series; or
- (b) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Bearer Global Note is exchanged for Definitive Bearer Notes, such Definitive Bearer Notes shall be issued in Specified Denomination(s) only. A holder of Notes with a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Exchange Date means the day which is 40 days after the Issue Date. All Notes will be issued pursuant to the Indenture.

No beneficial owner of an interest in a Registered Global Security will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and/or Clearstream, in each case, to the extent applicable.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption in the event that the Global Note is exchanged for Definitive Notes. In addition, in the event that the Global Note is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●] PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA

Issue of [Aggregate Nominal Amount of Series] [Title of Notes] (the “Notes”) under its
U.S.\$5,000,000,000 Global Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Memorandum dated April 25, 2018 [and the supplemental [Offering Memorandum] dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Memorandum [as so supplemented].

[The following alternative language applies if the first issue of a Series which is being increased was issued under Offering Memorandum with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Memorandum dated April 25, 2018. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Memorandum dated [current date] [and the supplemental Offering Memorandum dated [●]], save in respect of the Conditions which are extracted from the Offering Memorandum dated April 25, 2018 and are attached hereto.]

[Prohibition of Sales to EEA Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|-----------------------------------|---|
| 1 | Issuer: | Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara |
| 2 | [(i)] Series Number: | [●] |
| | [(ii) Tranche]: | [●] |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | [●] |
| 5 | [(i)] Issue Price: | [●]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (<i>in the case of fungible issues only, if applicable</i>)] |

- [(ii) Net Proceeds: [●] (Required only for listed issues)]
- 6 (i) Specified Denominations: [●]
(ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]
(ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
- 8 Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
- 9 (i) Interest Basis: [[●]% Fixed Rate] [[*specify reference rate*] +/- [●]% Floating Rate] [Zero Coupon] [Other (*specify*)] (further particulars specified below)
(ii) Default Rate: [[●] (*specify/None*)]
- 10 Redemption/Payment Basis: [Redemption at par] [Partly Paid] [Instalment] [Other (*specify*)]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
- 12 Put/Call Options: [Investor Put] [Issuer Call] [(further particulars specified below)]
- 13 Status of the Notes: Senior
- 14 Listing: [[●] (*specify*)/None]
- 15 Place of Payment: [*Specify*]
- 16 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 17 Fixed Rate Note Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrears]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day" /not adjusted*]]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) [Determination Dates: [●] *in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 18 Floating Rate Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Interest Period Date: [●] (*Not applicable unless different from Interest Payment Date*)
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [●]
- (viii) Screen Rate Determination:
- Reference Rate: [●]
- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (x) Margin(s): [+/-][●]% per annum
- (xi) Minimum Rate of Interest: [●]% per annum
- (xii) Maximum Rate of Interest: [●]% per annum
- (xiii) Day Count Fraction: [●]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

- 19 Zero Coupon Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Amortization Yield: [●] % per annum
- (ii) Any other formula/basis of determining amount payable: [●]
- 20 Index-Linked Interest Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index/Formula: [*give or annex details*]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
- (iii) Provisions for determining Rate of Interest and/or Interest Amount where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]
- (iv) Interest Determination Date(s): [●]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Interest Period(s): [●]
- (vii) Specified Interest Payment Dates: [●]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (ix) Business Center(s): [●]
- (x) Minimum Rate of Interest: [●] % per annum
- (xi) Maximum Rate of Interest: [●] % per annum
- (xii) Day Count Fraction: [●]

- 21 Dual Currency Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph) (If the Dual Currency Notes are Rupiah-Denominated U.S. Dollar Settled Notes with terms other than as contemplated by Condition 3.3(c) of the Conditions (without amendment), give details and make any required changes in the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]); [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

22 Default Rate [●]% per annum

PROVISIONS RELATING TO REDEMPTION

- 23 Call Option [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period [●]
- 24 Put Option [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period [●]
- 25 Final Redemption Amount of each Note [●] per Calculation Amount

26 Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 27 (i) Form of Notes: [Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]] (*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "EUR50,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR99,000." In addition, the "limited circumstances specified in the Permanent Global Note" option may have to be amended to permit such Specified Denomination construction. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)] [Registered Notes]
- (ii) Applicable TEFRA exemption [C Rules/ D Rules/ Not Applicable]
- 28 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 29 Financial Center(s) or other special provisions relating to Payment Dates: [*Note that this paragraph relates to the Payment Date and Place of Payment, and not interest period end dates, to which sub paragraphs 17 (ii), 18(ii) and 20(vii) relate*]
- 30 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

- 31 Details relating to Instalment Notes: [Not Applicable/*give details*]
amount of each instalment, date on
which each payment is to be made:
- 32 Redenomination, Renominalization and [Not Applicable/The provisions [in Condition 2C]
Reconventioning: [annexed to this Pricing Supplement] apply]
- 33 Consolidation provisions: [Not Applicable/The provisions [In Condition [●]]
[annexed to this Pricing Supplement] apply]
- 34 Use of Proceeds: [Not Applicable/*give details*]
- 35 Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

- 36 (i) If syndicated, names of [Not Applicable/*give names*]
Managers:
- (ii) Stabilizing Manager(s) (if any): [Not Applicable/*give name*]
- 37 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 38 Additional selling restrictions: [Not Applicable/*give details*]
- 39 Prohibition of Sales to EEA Retail [Applicable/Not Applicable]
Investors: *(If the Notes clearly do not constitute “packaged” products, or if a prospectus would be published under the Prospectus Directive, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
- 40 Interests of [Managers][Dealers] [Give details.]
involved in the issue / offer:

OPERATIONAL INFORMATION

- 41 ISIN Code: [●]
- 42 CFI [Not Applicable][●]
- 43 FISN [Not Applicable][●] *(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*
- 44 CUSIP: [●]
- 45 Legal Entity Identifier 254900OYVDRYS9J51J61
- 46 Common Code: [●]
- 47 Any clearing system(s) other than [Not Applicable/*give name(s) and number(s)*]
Euroclear Bank SA/NV and
Clearstream Banking société
anonyme and the relevant
identification number(s):
- 48 Delivery: Delivery [against/free of] payment
- 49 Additional Paying Agent(s) (if any): [●]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$5,000,000,000 Global Medium Term Note Program of the Issuer.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara

By: _____
Duly authorized

GLOBAL CLEARANCE AND SETTLEMENT SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream (together, the “Clearing Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Our Company, any Arranger, Dealer, Trustee, Agent and party to the Indenture will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each series.

DTC

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the United States Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the United States Securities Exchange Act of 1934, as amended. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions among participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of security certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant either directly or indirectly.

DTC will take any action permitted to be taken by the holder of a beneficial interest in a Registered Global Security (including, without limitation, the presentation of a Registered Global Security for exchange) only at the direction of one or more participants to whose account with DTC interests in such Registered Global Security are credited and only in respect of such portion of the aggregate principal amount of Notes in respect of which such participant or participants has or have given such direction. If an Event of Default under the Notes occurs, DTC will exchange the Registered Global Security for Certificated Securities bearing the appropriate legend, which it will distribute to the relevant participants.

Euroclear and Clearstream

Each of Euroclear and Clearstream holds securities for their account holders and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfers of securities.

Euroclear and Clearstream each provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective account holders to settle trades with each other.

Account holders in Euroclear and Clearstream are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to both Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws.

Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective holders.

Book-Entry Ownership of Global Certificates

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by an Unrestricted Global Security. Each Unrestricted Global Security will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under "Transfer Restrictions."

The Registered Notes of each Tranche offered and sold to QIBs in reliance on Rule 144A will be represented by a Restricted Global Security. Each Restricted Global Security will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under "Transfer Restrictions."

Registered Global Securities will be deposited with: (i) a custodian for, and registered in the name of a nominee of, the DTC for the accounts of its participants, including Euroclear and Clearstream, or (ii) a Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, or (iii) other clearing system, in each case, as specified in the applicable Pricing Supplement.

Payments of principal and interest in respect of Registered Global Securities registered in the name of DTC's nominee, will be to or to the order of its nominee as the registered holder of such Registered Global Security. The Company expects that the nominee will, upon receipt of any such payment, immediately credit DTC participants' accounts with any such payments denominated in U.S. dollars in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Registered Global Security as shown on the records of DTC or its nominee. In the case of any such payments which are denominated otherwise than in U.S. dollars payment of such amounts will be made to the Paying Agent on behalf of the nominee who will make payment of all or part of the amount to the beneficial holders of interests in such Registered Global Securities directly, in the currency in which such payment was made and/or cause all or part of such payment to be converted into U.S. dollars and credited to the relevant participant's DTC account as aforesaid, in accordance with instructions received from DTC. The Company also expects that payments by DTC participants to owners of beneficial interests in such Registered Global Securities held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Company, the Trustee or any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such ownership interests.

Bearer Notes

Bearer Notes held outside the United States may be held in book-entry form through Clearstream or Euroclear. In respect of Bearer Notes, as may be specified in the applicable Pricing Supplement, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons will be deposited with a Common Depositary for Euroclear and Clearstream. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with customary Euromarket practice.

Individual Certificated Securities

Registration of title to Notes in a name other than its nominee or a depository for Euroclear and Clearstream or DTC will not be permitted unless (i) in the case of Restricted Securities, an event of default with respect to such Series has occurred and is continuing or DTC notifies us that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Restricted Global Securities, or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such and the Company is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, (ii) in the case of Unrestricted Global Securities deposited with a Common Depository for Euroclear or Clearstream, Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (iii) the Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of Holders of the Notes under the Notes and the Trustee has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the Trustee to obtain possession of the Notes. In such circumstances, the Company will cause sufficient individual Certificated Securities to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holder(s) of the Notes.

A person having an interest in a Global Security must provide the Registrar with:

- (a) written order containing instructions and such other information as the Company and the Registrar may require to complete, execute and deliver such individual Certificated Securities; and
- (b) in the case of a Restricted Global Security only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Certificated Securities issued pursuant to this paragraph (b) shall bear the legends applicable to transfers pursuant to Rule 144A.

Transfers of Notes represented by Global Securities

Transfers of interests in Global Securities within DTC, Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant system. The laws in some states in the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer a beneficial interest in a Global Securities to such persons may require that such interests be exchanged for Notes in definitive form. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Security to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may require that such interests be exchanged for Certificated Securities. The ability of the holder of a beneficial interest in any Note represented by the Global Securities to resell, pledge or otherwise transfer such interest may also be impaired if the proposed transferee of such interest is not eligible to hold the same through a participant or indirect participant in DTC.

Beneficial interests in an Unrestricted Global Security may be held through Clearstream or Euroclear. Clearstream and Euroclear will operate with respect to the Notes in accordance with customary Euromarket practice.

Secondary Trading, Same-Day Settlement and Payment

All payments made by the Company with respect to Notes registered in the name of Cede & Co., as nominee for DTC, will be passed through to DTC in same-day funds. In relation to secondary market trading, since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

Trading Within Same Clearing System

The following describes the transfer mechanisms between DTC, Euroclear and Clearstream. Holders should note that transfers of beneficial interests in the Restricted Global Security, or the Unrestricted Global Security is subject to limitations as set forth in “*Transfer Restrictions*.”

Trading within DTC. If neither the seller, nor the purchaser of Notes represented by any Global Security holds or will receive (as the case may be) such Notes through a participant in DTC acting on behalf of Euroclear or Clearstream, the trade will settle in same-day funds and in accordance with DTC rules, regulations and procedures.

Trading within Euroclear or Clearstream. Transfers between account holders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Trading Between Clearing Systems

Trading between Euroclear or Clearstream seller and DTC purchaser involving only Global Securities. Due to time zone differences in their favor, Euroclear and Clearstream account holders may employ their customary procedures for transactions in which interests in a Global Security are to be transferred by Euroclear or Clearstream (as the case may be) to a participant in DTC. The seller will send instructions to Euroclear or Clearstream through a Euroclear or Clearstream account holder (as the case may be) at least one business day prior to settlement. In these cases, Euroclear or Clearstream will instruct its respective depository to deliver the interests in the Global Security to the participant’s account against payment. Payment will include interest (if any) accrued on such interests in the Note from (and including) the immediately preceding date for the payment of interest to (and excluding) the settlement date. The payment will then be reflected in the account of the Euroclear or Clearstream account holder the following day, and receipt of cash proceeds in the Euroclear or Clearstream account holder’s account would be back-valued to the value date (which would be the preceding day when settlement occurred in New York). Should the Euroclear or Clearstream account holder have a line of credit in its respective Clearing System and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e. the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream account holder’s account would be valued instead as of the actual settlement date.

Trading between DTC seller and Euroclear or Clearstream purchaser involving only Global Securities. When interests in a Global Security are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream account holder, the purchaser will send instructions to Euroclear or Clearstream through a Euroclear or Clearstream account holder, as the case may be, at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will instruct its respective depository to receive such interests against payment. Payment will include interest (if any) accrued on such interest in the Global Security from (and including) the immediately preceding date for the payment of interest to (and excluding) the settlement date. Payment will then be made by the depository to the participant’s account against delivery of the interests in the Note. After settlement has been completed, the interests will be credited to the respective Clearing System, and by the Clearing System, in accordance with its usual procedures, to the Euroclear or Clearstream account holder’s account. The securities credit will appear the next day (Central European time) and the cash debit will be back-valued to, and any interest on the Note will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e. the trade fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Day traders that use Euroclear or Clearstream to purchase interests in an Unrestricted Global Security from participants for delivery to Euroclear or Clearstream account holders should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- (a) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear or Clearstream accounts) in accordance with the Clearing System's customary procedures;
- (b) borrowing the interests in the United States from a participant no later than one day prior to settlement, which would give the interests sufficient time to be reflected in their Euroclear or Clearstream account in order to settle the sale side of the trade; or
- (c) staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the participant is at least one day prior to the value date for the sale to the Euroclear or Clearstream account holder.

Euroclear or Clearstream account holders will need to make available to the respective Clearing System the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on-hand or existing lines of credit, as such participants would for any settlement occurring within Euroclear or Clearstream. Under this approach, such participants may take on credit exposure to Euroclear or Clearstream until the interests in the Note are credited to their accounts one day later.

Alternatively, if Euroclear or Clearstream has extended a line of credit to a Euroclear or Clearstream account holder, as the case may be, such account holder may elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear or Clearstream account holders purchasing interests in the Note held in DTC would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the Note were credited to their accounts. However, any interest on the Note would accrue from the value date. Therefore, in many cases the investment income on the interests in the Note held in DTC earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each account holder's particular cost of funds.

Since the settlement takes place during New York business hours, participants can employ their usual procedures for transferring interests in Global Securities to the respective depositories of Euroclear or Clearstream for the benefit of Euroclear or Clearstream account holders. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the participants, a cross market transaction will settle no differently from a trade between participants.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, Notes held through participants or indirect participants will trade in DTC's Same-Day Funds Settlement System until the earliest of maturity or redemption, and secondary market trading activity in such Notes will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlements in immediately available funds on trading activity in such Notes.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Securities among participants and account holders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee, any agent, any Arranger or any Dealer will have the responsibility for the performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Security is lodged with DTC or its custodian, Notes represented by individual Certificated Securities will not be eligible for clearing or settlement through DTC, Clearstream or Euroclear.

TAXATION

Indonesian Taxation

The following is a summary with respect to taxes imposed by the Government of Indonesia on all payments made pursuant to the Offering Memorandum. The summary does not address any laws other than the tax laws of Indonesia in force and as they are applied in practice as of the date of this Offering Memorandum.

The summary represents only a general guide. The summary does not constitute tax advice and should not be relied upon by individual or corporate Noteholders. It is recommended that Noteholders seek independent tax advice relevant to their facts and circumstances.

General

Resident taxpayers are generally subject to income tax in Indonesia on their net taxable income at the rate of 25% for corporate taxpayers and at progressive rates (maximum at 30%) for individual taxpayers. However, in calculating net taxable income for these purposes certain types of income may be excluded and instead are subject to final withholding tax at source on the gross amount.

Non-resident taxpayers who derive Indonesian sourced income, including interest, are generally subject to a final withholding tax at 20%, as long as the income is not effectively connected to a permanent establishment of the non-resident in Indonesia. This withholding tax may be reduced or exempted under the provisions of any applicable agreement for the avoidance of double taxation (a “tax treaty”). If the income is effectively connected with a permanent establishment in Indonesia, such income shall be regarded as income earned by the permanent establishment, and is taxable in the same manner as for Resident taxpayers. Furthermore, branch profit tax will be imposed on the net profit after income tax of the permanent establishment. The branch profit tax rate varies according to tax treaties. In case tax treaties are silent, then the tax rate under Indonesian tax law of 20% applies.

Withholding Tax on Interest Income from the Notes

Based on Government Regulation No. 16/2009 dated February 9, 2009, which has been amended by Government Regulation No. 100/2013 dated December 31, 2013 (“GR No. 16”) and Minister of Finance (MoF) Regulation No. 85/PMK.03/2011 dated 23 May 2011, which has been amended most recently by MoF Regulation No. 07/PMK.011/2012 dated January 13, 2012 (“MoF Reg No. 85”), any amount paid by the Company in the form of interest and/or discount (which in general is also treated as interest) in relation to the Notes that have a maturity exceeding 12 months will be subject to a final withholding tax under Article 4 (2) of the Indonesian income tax law. Interest is taxed on the gross value, while discount is taxed on the difference between the transfer value (or nominal value if held to maturity date) and acquisition cost of the Notes.

For a resident taxpayer or permanent establishment, a final withholding tax at 15% applies on interest from the Notes. However, an Indonesian bank or foreign bank having a permanent establishment in Indonesia is subject to income tax at regular rate (not final). A special rate of 5% applies on interests received by a mutual fund until the end of 2020, provided that the mutual fund is registered at the OJK.

For a non-resident taxpayer, a final withholding tax at 20% applies. However, the withholding tax rate could be reduced or exempted under an applicable tax treaty. For example, under the tax treaty between Indonesia and the United States, the withholding tax rate on interest may be reduced to 10%. Application of the reduced withholding tax rate is subject to requirements under the tax treaty and the Indonesian tax regulations (see “*Anti-Avoidance Rule on the Tax Treaty and New CoD Requirements*” below).

Withholding Tax on Sale or Disposal of the Notes

Based on GR No. 16 and MoF Reg No. 85, gains from disposal of the Notes are also treated as interest and are subject to the final withholding tax outlined above.

Under Article 3A of MoF Reg No. 85, any negative discount or loss incurred from disposal of the Notes can be deducted from the amount of interest income in calculating the withholding tax on interest.

Tax Withholder Obligations

Based on Article 4 of MoF Reg No. 85, the following parties are liable for the withholding tax obligation on interest of the Notes or gains from disposal of the Notes:

- (a) Bond issuer or custodian as appointed paying agent, on:
 - Interest and/or discount received or earned by the Noteholders of interest bearing notes on interest payment date of the Notes; and
 - Discount received or gained by the Noteholders of non-interest bearing Notes, at the maturity of the Notes;
- (b) Securities company, dealer, or bank, as an intermediary (broker) in regard to interest on the Notes and/or discount received or gained by the Noteholders (sellers) during transactions; and/or
- (c) Securities company, dealer, bank, pension fund, or mutual fund, as a direct buyer of the Notes without intermediary parties, over interest on the Notes and/or discount received or gained by the Noteholders during a sale of the Notes;
- (d) If the Notes are directly sold without intermediary parties, a custodian or sub-registry (as a recording party of the ownership change of the Notes) will be required to withhold the final withholding tax payable by the Noteholders before the ownership change is done;
- (e) In the case the Notes are issued in bearer form, the issuer of the Notes or a custodian appointed as paying agent will be required to withhold the final withholding tax at:
 - The interest payment date, for the interest income calculated based on full ownership period of the Notes since the latest interest due date. If the Noteholders can prove that they purchased the Notes from parties exempt from the final withholding tax or that have been taxed, their interest income is only subject to final withholding tax on their part ownership.
 - The maturity date of the Notes, for any gain (discount income) calculated based on full ownership period of the Notes since its initial issuance date. If the Noteholders can prove that they purchased the Notes from parties exempt from the final withholding tax or that have been taxed, their discount income is only subject to the final withholding tax on their part ownership.

Anti-Avoidance Rule on the Tax Treaty and New CoD Requirements

Indonesia has concluded tax treaties with a number of countries, including the United States, the United Kingdom, the Netherlands, Australia, Belgium, Canada, France, Germany, Japan, Singapore, Sweden, and Switzerland. The relevant tax treaty may affect the definition of non-resident taxpayers and level of withholding tax applied to payments on the Notes.

Where a tax treaty exists and the eligibility requirements of that treaty are satisfied, a reduced rate or no withholding tax may be applicable on interest (or payments in the nature of interest, such as premiums or discounts).

Indonesia has specific rules regarding the application of benefits under tax treaties. The requirements include that there is no misuse of the tax treaties and the non-resident taxpayers meet the administrative requirements under the Indonesian tax regulations. Some tax treaties also provide an exemption from Indonesian tax on any capital gains of non-resident taxpayers arising from alienation of certain properties in Indonesia.

Below are the more specific requirements to obtain tax treaty benefits in Indonesia:

In order for a non-resident recipient of the payment from Indonesia to be eligible for tax treaty relief, it must:

- (a) identify a discrepancy between Indonesian tax regulations and the provisions in the tax treaty;
- (b) not be an Indonesian tax subject;
- (c) be an individual or corporate taxpayer that is a tax subject in the treaty country or jurisdiction;
- (d) provide Certificate of Domicile (“CoD”) that have fulfilled the administrative requirements and other requirements to implement the tax treaty provision;
- (e) not commit any tax treaty misuse; and
- (f) be the beneficial owner (if there is a requirement in the tax treaty).

The administrative requirement the non-resident taxpayer must meet to apply the tax treaty relief is to provide a valid CoD, which must be:

- (a) in the form prescribed by the Indonesian Tax Office (“ITO”) (i.e. Form DGT-1 or Form DGT-2, where applicable);
- (b) filled in by the non-resident in a correct, complete and clear manner;
- (c) signed or marked in a way that is equal to a signature by the non-resident based on a common practice in that treaty country;
- (d) certified by way of signature of or marked by the competent tax authority of the treaty country of the non-resident based on common practice in that treaty country;
- (e) used for the period mentioned in the CoD; and
- (f) submitted at the same time as the lodgement of the relevant monthly tax return of the Indonesian tax withholder at the latest by the end of the deadline to submit the monthly tax returns for the relevant tax payable period.

The mentioned period in the CoD is valid for 12 months at most from the date of issuance and must be renewed subsequently. The certification referred to in point (d) may be replaced by a Certificate of Residence (“CoR”) on certain conditions.

Form DGT-2 is used by banks, pension funds and other parties who received income from custodians related to the income from transfers of shares or obligations in the Indonesian capital markets, other than interest and dividends. Meanwhile, other non-resident taxpayers must use Form DGT-1. The other requirement to be fulfilled for the non-resident taxpayer to enjoy the tax treaty benefits is to complete page 2 of Form DGT-1 that confirms that the non-resident taxpayer has:

- (a) a relevant economic motive in relation to the establishment of the company;

- (b) business activities that are managed by its own management, and the management has sufficient authority to carry out a transaction;
- (c) fixed assets and non-fixed assets that are sufficient to run the business in the tax treaty country, other than the assets that derive income from Indonesia;
- (d) employees of a sufficient number who have certain skills that are in accordance with the company's line of business; and
- (e) an active business or operation other than receiving income in the form of dividends, interest and/or royalties from Indonesia.

Besides having to meet the completion of page 2, the other requirement to be fulfilled for the non-resident taxpayer to enjoy the tax treaty benefits is to complete page 3 of Form DGT-1 which states that:

- (a) for individual taxpayers, the individual is not an agent or nominee; or
- (b) for corporate taxpayers, the company is not an agent, nominee or conduit and fulfills the below conditions:
 - a. the company holds control to use or enjoy the funds, assets, or other rights that generate income in Indonesia;
 - b. not more than 50% of the company's income is used to meet obligations to other parties;
 - c. the company bears the risk of assets or capital, and/or has obligations; and
 - d. the company does not have any obligations whether in writing or not to provide its partial or entire income originating from Indonesia to other parties

Furthermore, the prevailing regulation indicates that misuse of a tax treaty may occur in the event that:

- (a) the transaction does not have economic substance and is carried out using a structure/scheme merely to enjoy the tax treaty benefits; or
- (b) the transaction is done with a structure/scheme whereby its legal form is different from the economic substance merely to enjoy the tax treaty benefits; or
- (c) the recipient of the income is not the actual owner of the economic benefits of the income (i.e. not the beneficial owner).

A non-resident taxpayer of the treaty country, is considered to be misusing the tax treaty if the purpose of the transaction is solely to obtain the tax treaty benefit. The misuse of the tax treaty is not considered to happen if the non-resident taxpayer has:

- (a) economic substance in the establishment of the entity or the implementation of the transaction;
- (b) a legal form that has economic substance in the establishment of the entity or the implementation of the transaction;
- (c) business activities that are managed by its own management, and the management has sufficient authority to carry out a transaction;
- (d) sufficient fixed assets and non-fixed assets to carry on business in the tax treaty country, other than the assets that derived income from Indonesia;

- (e) a sufficient number of employees with certain expertise and skills in accordance with the company's line of business; and
- (f) activities or active business or operations other than receiving income in the form of dividends, interest and/or royalties from Indonesia.

The beneficial owner criteria shall be applied only to income for which the article in the relevant tax treaty contains the beneficial owner requirement.

The non-resident taxpayer who receives income from Indonesia is considered a beneficial owner by completing page 3 of Form DGT-1 and confirming that the non-resident taxpayer as the income recipient is:

- (a) for individual taxpayers, not an agent or nominee; or
- (b) for corporate taxpayers, not an agent, nominee or conduit and fulfils the below conditions:
 - a. the company holds control to use or enjoy the funds, assets, or other rights that generate income in Indonesia;
 - b. not more than 50% of the company's income is used to meet obligations to other parties;
 - c. the company bears the risk of assets or capital, and/or has obligations; and
 - d. the company does not have any obligations whether in writing or not to provide its partial or entire income originating from Indonesia to other parties.

For a non-resident taxpayer who uses Form DGT-2, the non-resident taxpayer must state in Part II of the Form DGT-2 that:

- (a) the company is a tax subject of a treaty country or treaty jurisdiction based on the tax law in that country; and
- (b) the company is not an agent, nominee or conduit on the income received in the event that the company is required as a beneficial owner based on the applicable tax treaty.

In the case that there is income received or earned by a non-resident taxpayer, but the income is not subject to tax according to the tax treaty, the tax withholder is still obliged to arrange reporting of the DGT form and/or CoR and the issuance of a withholding tax slip.

Stamp Duty

Stamp duty is currently immaterial. According to Government Regulation No. 24 of 2000, a document that affects a sale of Indonesian Notes is subject to stamp duty. Currently, the nominal amount of the Indonesian stamp duty is Rp.6,000 for transactions having a value greater than Rp.1,000,000 and Rp.3,000 for transactions having a value up to a maximum of Rp.1,000,000. Generally, the stamp duty is due at the time the document is executed. Stamp duty is payable by the party that benefits from the executed document unless both parties state otherwise.

Other Indonesian Taxes

There are no Indonesian estate, inheritance, succession, or gift taxes generally applicable to the acquisition, ownership or disposition of the Notes.

The above summary is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

U.S. Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Program, and the relevant Pricing Supplement may contain additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less and does not deal with Partly Paid Notes. The U.S. federal income tax consequences of owning Notes with a longer term or Partly Paid Notes will be discussed in the applicable Pricing Supplement.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisor concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

Under recently enacted legislation, U.S. Holders that maintain certain types of financial statements and use the accrual method of accounting for U.S. federal income tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on their financial statements. The application of this rule may require U.S. Holders that maintain such financial statements to include certain amounts realized in respect of the Notes in income earlier than would otherwise be the case under the rules described in this summary, although the precise

application of this rule is unclear at this time. This rule generally will be effective for tax years beginning after December 31, 2017 or, if the Notes are treated as issued with OID (as defined below), for tax years beginning after December 31, 2018. U.S. Holders that use the accrual method of accounting should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

This summary is based on the tax laws of the United States, including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and Indonesia (the “Treaty”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterization of the Notes

The characterization of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterization of some of the types of Notes that are anticipated to be issued under the Program or of instruments similar to the Notes.

Depending on the terms of a particular Series or Tranche of Notes, the Notes may not be characterized as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterized as notional principal contracts, collateralized put options, prepaid forward contracts, or some other type of financial instrument. Alternatively, the Notes may be characterized as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Company. Additional alternative characterizations may also be possible.

No rulings will be sought from the Internal Revenue Service (“IRS”) regarding the characterization of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterization of the Notes for U.S. federal income tax purposes and consequences to the holder of acquiring, owning or disposing of the Notes.

The remainder of summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes. The relevant Pricing Supplement may contain a further discussion of the special U.S. federal income tax consequences applicable to certain Notes that are not treated as debt for U.S. federal income tax purposes.

Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes, reduced by the allocable

amount of amortizable bond premium, subject to the discussion below under “Notes Purchased at a Premium”. Interest paid by the Company on the Notes and original issue discount (“OID”), if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States.

Effect of Indonesian Withholding Taxes

As discussed in “*Taxation — Indonesian Taxation*,” under current law payments of interest and OID on the Notes to foreign investors are subject to a 20% Indonesian withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 10%. As discussed under “*Description of the Notes — Taxation; Additional Amounts*,” the Company is liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no Indonesian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having actually received the amount of Indonesian taxes withheld by the Company with respect to a Note, and as then having paid over the withheld taxes to the Indonesian taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest or OID may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the payment.

Subject to certain limitations, a U.S. Holder generally will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indonesian income taxes withheld. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Indonesian taxes withheld in excess of the 10% maximum rate and with respect to which the holder is entitled to obtain a refund from the Indonesian tax authorities. For purposes of the foreign tax credit limitation, interest and OID generally will constitute foreign source income in the “passive income” basket.

The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisors concerning the foreign tax credit implications of the payment of Indonesian withholding taxes.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Company issues contingent payment debt instruments the applicable Pricing Supplement may describe the U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “Short-Term Note”), will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “installment obligation”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25% of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the Issue Date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons

or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “— *Variable Interest Rate Notes*”), applied to the outstanding principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “— *Election to Treat All Interest as Original Issue Discount*,” is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "Market Discount Note") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price," exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an installment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount." For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognized on the sale or retirement of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Company (or a related party) or that is unique to the circumstances of the Company (or a related party), such as dividends, profits or the value of the Company’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Company). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument,” then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Company) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) equal to or in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of

a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument,” then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the applicable Pricing Supplement.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond premium,” in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortize bond premium will generally apply to all bonds held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “*Original Issue Discount — Election to Treat All Interest as Original Issue Discount*” below.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “*Original Issue Discount — General*,” with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium (described above under “— *Notes Purchased at a Premium*”) or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “— *Market Discount*” to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisors concerning the propriety and consequences of this election.

Purchase, Sale and Retirement of Notes

A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “*Original Issue Discount — Market Discount*” or “*Original Issue Discount — Short-Term Notes*” or attributable to changes in exchange rates (as discussed below), gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

Therefore, a U.S. Holder may have insufficient foreign source income to utilize foreign tax credits attributable to any Indonesian withholding tax imposed on the sale or disposition. Prospective purchasers should consult their tax advisors as to the availability or and limitations on any foreign tax credit attributable to this Indonesian withholding tax.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the sale or retirement of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognize a market loss when the Note matures.

Sale or Retirement

As discussed above under “— *Purchase, Sale and Retirement of Notes*,” a U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and its tax basis in the Note. A U.S. Holder’s tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (as adjusted for amortized bond premium, if any) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

In general, payments of principal and interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain “specified foreign financial assets.”

Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of \$10,000 in the case of a natural person and \$50,000 in all other cases generally is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

SUBSCRIPTION AND SALE

Summary of Program Agreement

Subject to the terms and conditions contained the Program Agreement, between the Company, the Dealers and the Arrangers, the Notes may be offered on a continuous basis by the Company to the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Relevant Dealer(s). The Notes may also be sold by the Company through the Dealers, acting as agents of the Company. The Program Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally underwritten by two or more Dealers.

The Company will pay the Relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Company has agreed to reimburse each of the Arrangers for certain of its expenses incurred in connection with the establishment of the Program and the Dealers for certain of their activities in connection with the Program.

The Company has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Program Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Company.

Other Relationships

The Dealers and the Arrangers and certain of their affiliates may from time to time engage in transactions with and perform services for the Company in the ordinary course of their business.

The Dealers and the Arrangers or certain of their respective affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Company or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Program, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Program may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Selling Restrictions

The Notes have not been and will not be registered under the laws of any jurisdiction, nor has any other action been taken, nor will any action be taken, by the Company, the Dealers or any other person that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any supplement hereto or thereto, or any other offering material relating to

the Company or the Notes, in any country or jurisdiction where action for any such purpose may be required. The offer and sale of Notes, and the delivery of this Offering Memorandum, are restricted by law in certain jurisdictions and Notes may not be offered or sold, and this Offering Memorandum may not be distributed, in any jurisdiction under circumstances where such offer, sale or distribution would be prohibited or restricted by law.

Without limiting the foregoing, prospective purchasers of Notes should be aware of the following restrictions:

European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

Prohibition of Sales to EEA Retail Investors

Unless the final terms (or Pricing Supplement, as the case may be), in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the final terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision: (a) the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

In relation to each Tranche of Notes issued by the Company, each Dealer has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance. Each Tranche of Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong).

Indonesia

This Offering does not constitute a public offering in Indonesia under Law Number 8 of 1995 on Capital Markets and its implementing regulations. The Disclosure Package may not be distributed in Indonesia or passed on within Indonesia in a manner which constitutes a public offering under the laws of Indonesia. The Notes have not been registered with the OJK and therefore may not be offered or sold in Indonesia in a manner which constitutes a public offering under the laws of Indonesia.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Kingdom

Each Dealer has represented and agreed that:

- (a) in relation to any Notes having a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Company;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. Each Dealer has agreed, and each further Dealer appointed under the Program will be required to agree, that it will not offer or sell any Notes within the United States, except as permitted by the Program Agreement.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “Any United States person (as defined in the Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code.”

The sections referred to in such legend provide that a United States person who holds a Bearer Note, Receipt, Coupon or Talon will generally not be allowed to deduct any loss realized on the sale, exchange or redemption of such Note, Receipt, Coupon or Talon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

The Notes are being offered and sold outside the United States in reliance on Regulation S. The Program Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Memorandum has been prepared by the Company for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Company and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or

in part, for any reason. This Offering Memorandum does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker dealer affiliate. Distribution of this Offering Memorandum by any non U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non U.S. person or qualified institutional buyer with respect thereto, is unauthorized and any disclosure without the prior written consent of the Company of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non U.S. person or qualified institutional buyer, is prohibited.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act(i) of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Dealer has represented and agreed that it has not directly or indirectly offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed or will agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Company nor any other Dealer shall have any responsibility therefor. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by Citigroup Global Markets Inc., The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited, Mandiri Securities Pte. Ltd., Australia and New Zealand Banking Group Limited and BNP Paribas or their eligible affiliates on behalf of the Company in such jurisdiction.

Neither the Company nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the Relevant Dealer(s) will be required to comply with such other additional restrictions as the Company and the Relevant Dealer(s) shall agree and as shall be set forth in the applicable Pricing Supplement.

Purchasers of Notes sold by the Dealers may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price and accrued interest, if any.

Each Series or Tranche of Notes is a new issue of securities with no established trading market. Any one or more of the Dealers may make a market in the Notes, but are not obliged to do so and may discontinue any market-marking, if commenced, at any time without notice. No assurance can be given as to the liquidity of the trading markets for the Notes.

Stabilization

In connection with the issue of Notes in any Series or Tranche under the Program, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes (provided that, in the case of any Series or Tranche of Notes to be admitted to trading on a regulated market as defined in the Market Abuse Regulation, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Notes subject to the issue) or effect transactions with a view to supporting the market price of the Notes in such a Series at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date of commencement of trading of the Notes, and, if begun, may be ended at any time, but must end after a limited period or, if the Notes are admitted to trading on a regulated market, no later than 30 days after the date of commencement of trading of the Notes on such regulated market. Any stabilization will be conducted in accordance with all applicable laws and regulations and will be undertaken at the offices of the Stabilizing Manager (or persons acting on their behalf) and on the relevant trading venue.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Each prospective purchaser of Notes that have a legend regarding restrictions on transferability by accepting delivery of this Offering Memorandum, will be deemed to have represented and agreed that this Offering Memorandum is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Memorandum, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Company, is prohibited.

The Notes have not been and will not be registered under the Securities Act or any other securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from the registration statement requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the United States only to persons reasonably believed to be QIBs. The international offering is being made outside the United States to non-U.S. persons (in the case of Bearer Notes) in offshore transactions pursuant to Regulation S.

Sales within the United States

Each purchaser of Notes within the United States pursuant to Rule 144A by accepting this Offering Memorandum will be deemed to have represented, agreed and acknowledged as follows:

- It is (a) a QIB, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- The Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred, except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case, in accordance with any applicable securities laws of any state of the United States.
- Such Notes, for compliance with applicable law, will bear a legend to the following effect:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. TERMS USED HEREIN HAVE THE MEANINGS GIVEN THEM IN REGULATION S UNDER THE SECURITIES ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY AND THE DEALERS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, THAT (B) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)

IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH OF SUCH CASES, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THAT (C) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (B) ABOVE.

FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS NOTE IS [●]; (2) THE YIELD TO MATURITY IS [●]% (COMPOUNDED SEMI-ANNUALLY); (3) THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[●] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [●] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [●] AND ENDING [●]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[●] PER U.S.\$[●] PRINCIPAL AMOUNT.”

- It understands that the Company, the Registrar, the Arrangers, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- It understands that the Notes offered in reliance on Rule 144A will be represented by the Restricted Global Security. Before any interest in the Restricted Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Security, it will be required to provide the Registrar with a written certification (in the form provided in the Indenture) as to compliance with applicable securities laws.

Each Certificated Security that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(a)(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate for compliance with applicable law:

“THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND UNDER APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS OF THE UNITED STATES, AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE ACKNOWLEDGES FOR THE BENEFIT OF THE COMPANY AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS NOTE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED IN THE INDENTURE ENTERED INTO BY THE COMPANY AND THE TRUSTEE AS OF APRIL 25, 2018. THE PURCHASER REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) AND IT IS ACQUIRING THIS NOTE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO

ANY RESALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS NOTE PURSUANT TO RULE 144A OR REGULATION S UNDER THE SECURITIES ACT OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, RESELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) IN THE UNITED STATES TO A PERSON WHOM IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (WITHIN THE MEANING OF RULE 501 (A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) THAT IS ACQUIRING THE NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL "ACCREDITED INVESTOR," IN EACH CASE, IN A MINIMUM PRINCIPAL AMOUNT OF THE NOTES OF U.S.\$250,000 AND MULTIPLES OF U.S.\$1,000 IN EXCESS THEREOF FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO, OR FOR OFFER OR RESALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (B), (D) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE COMPANY, AND, IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND, IN EACH OF THE FOREGOING CASES, NOT IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH.

IF REQUESTED BY THE COMPANY OR A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS NOTE IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALES OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS NOTE, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS NOTE IS [●]; (2) THE YIELD TO MATURITY IS [●]% (COMPOUNDED SEMI-ANNUALLY); (3) THIS NOTE IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[●] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [●] METHOD SPECIFIED IN THE PROPOSED

TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [●] AND ENDING [●]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[●] PER U.S.\$[●] PRINCIPAL AMOUNT.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.”

Each purchaser of Certificated Securities will be required to deliver to the Company and the Registrar an investment letter substantially in the form prescribed in the Indenture. The Certificated Securities in definitive form will be subject to the transfer restrictions set forth in the above legend, such letter and in the Indenture. Inquiries concerning transfers of Notes should be made to any Dealer.

Sales outside the United States

Regulation S prohibits purchasers of the Notes under Regulation S from offering, selling or delivering the Notes within the United States or to or for the account or benefit of U.S. persons until the expiration of the period ending 40 days after the later of the commencement of the offering of the Notes and the date the Notes were originally issued (the “Distribution Compliance Period”).

Each purchaser of the Notes outside the United States pursuant to Regulation S by accepting delivery of this Offering Memorandum and the Notes will be deemed to have represented, agreed and acknowledged that:

- It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is located outside the United States and (in the case of Bearer Notes) is not a U.S. person (as defined by the U.S. Code of 1986, as amended) and it is located outside the United States and (b) it is not an affiliate of the Company or a person acting on behalf of such an affiliate.
- Each purchaser of the Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period by accepting delivery of this Offering Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:
 - (a) It is, or at the time the Notes are purchased will be, the beneficial owner of such Notes and (I) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (II) it is not an affiliate of the Company or a person acting on behalf of such an affiliate.
 - (b) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Notes except (I) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (II) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
 - (c) The Company, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify us.

- (d) It understands that the Notes offered in reliance on Regulation S will be represented by a Temporary Global Note or a Permanent Global Note, which will, unless otherwise agreed by us in accordance with applicable law, bear a legend substantially to the following effect:

THIS NOTE IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE LATEST CLOSING DATE ("DISTRIBUTION COMPLIANCE PERIOD"), MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

Prior to the expiration of the Distribution Compliance Period, before any interest in the Temporary Global Note or Permanent Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in such notes, it will be required to provide the Registrar with a written certification (in the form provided in the Indenture) as to compliance with the applicable securities laws.

General

Delivery of the Notes may be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Notes which date may be specified in the Pricing Supplement. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or succeeding business days prior to more than two business days from the settlement date will be required, by virtue of the fact that the Notes may initially settle on or about a date which will occur more than two business days after the date of pricing of the Notes to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or succeeding business days prior to more than two business days from the settlement date should consult their own advisor.

VALIDITY OF THE NOTES

The validity of the Notes and certain legal matters under United States and New York law will be passed upon for our Company by Linklaters Singapore Pte. Ltd. Certain legal matters under United States and New York law with respect to the Notes will be passed upon for the Arrangers and Dealers by Shearman & Sterling LLP. Certain legal matters under Indonesian law with respect to the Notes will be passed upon for our Company by Hadiputranto, Hadinoto & Partners. Certain legal matters under Indonesian law with respect to the Notes will be passed upon for the Arrangers and Dealers by Hiswara Bunjamin & Tandjung.

INDEPENDENT PUBLIC ACCOUNTANTS

The restated consolidated financial statements of our Company included in this Offering Memorandum as of and for the year ended December 31, 2015 have been audited by KAP Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms), as stated in their audit report appearing elsewhere in this Offering Memorandum. Our restated consolidated financial statements as of and for the year ended December 31, 2016 and our consolidated financial statements as of and for the year ended December 31, 2017 have been audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member of the RSM network) in accordance with Standards on Auditing established by IICPA, as stated in their audit reports appearing elsewhere in this Offering Memorandum.

RATINGS

The Program has been rated BBB by Fitch and Baa2 by Moody's. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN GAAP/IFAS AND U.S. GAAP

Our consolidated financial statements included in this Offering Memorandum are prepared and presented in accordance with Indonesian GAAP/IFAS. Certain differences exist between Indonesian GAAP/IFAS and U.S. GAAP, which might be material to the consolidated financial statements herein. The matters described below should not be expected to reveal all differences between Indonesian GAAP/IFAS and U.S. GAAP.

Management believes that the adoption of U.S. GAAP could have a material and significant impact on the consolidated financial statements reported under Indonesian GAAP/IFAS. In making an investment decision, investors must rely upon their own examination of us, terms of the offering, and our financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian GAAP/IFAS and U.S. GAAP, and how those differences might affect the consolidated financial statements included herein.

Management has made no attempt to quantify the impact of those differences, nor has management made any attempt to identify all disclosure, presentation, or classification differences that would affect the manner in which transactions or events are presented in the consolidated financial statements. Had such quantification or identification been done by management, other potential significant accounting and disclosure differences may have come to its attention which are not summarized below. Accordingly, the following summary of certain differences between Indonesian GAAP/IFAS and U.S. GAAP should not be construed as complete.

Management has made no attempt to identify all future differences between Indonesian GAAP/IFAS and U.S. GAAP that may affect the consolidated financial statements as a result of transactions or events that may occur in the future, nor has management made any attempt to identify future differences between Indonesian GAAP/IFAS and U.S. GAAP resulted from changes in accounting standards and regulations.

Consolidated Financial Statements

Under Indonesian GAAP/IFAS, there is one model for determining whether consolidation is appropriate that encompasses the guidance in both governance and economic indicators of control. “Control” is defined as the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In this case, the definition of control encompasses both the notion of governance and the economic consequences of that governance. The standard and interpretation provide indicators of when the substance of a relationship indicates control is present.

Under U.S. GAAP, an entity should first determine whether an entity is a variable interest entity (“VIE”). VIEs are evaluated for consolidation based on all contractual, ownership, or other interest that expose their holders to the risks and rewards of the entity, where such interests are termed variable interests. The holder of a variable interest that has (i) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or (iii) the right to receive benefits from the VIE that could potentially be significant to the VIE is the VIE’s primary beneficiary, and is required to consolidate the VIE.

Under U.S. GAAP, consolidation is required when the reporting entity directly or indirectly has a controlling financial interest in other companies. The usual condition for controlling financial interest is ownership of a majority of the voting interest. Therefore, as a general rule, ownership by one company, directly or indirectly, of over 50% of the outstanding voting shares of another company is a condition pointing towards consolidation. Consolidation of majority-owned subsidiaries is required in the preparation of consolidated financial statements, unless control does not rest with the majority owner.

Under U.S. GAAP, it is acceptable to apply different accounting policies within a consolidated group to address issues relevant to certain specialized industries. Exceptions to the requirement to consistently apply standards in a consolidated group do not exist under Indonesian GAAP/IFAS.

Under Indonesian GAAP/IFAS, potential voting rights are considered in determining whether the investor exerts significant influence over the investee. Potential voting rights are not, however, considered in the measurement of the equity earnings recorded by the investor.

Under U.S. GAAP, potential voting rights are generally not considered in the assessment of whether an investor has significant influence.

Statement of Cash Flows

Under Indonesian GAAP/IFAS, companies which present their cash flows using the direct method are not required to present a reconciliation of net income to net cash flow from operating activities. Furthermore, cash flows from interest received and paid are disclosed in a consistent manner from period to period as operating, investing or financing activities.

Under U.S. GAAP, companies which present their cash flows using the direct method are required to present, in a separate schedule, a reconciliation of net income to cash flows from operating activities. Such reconciliation should separately report all major classes of reconciling items, including (a) the effects of all deferrals of past operating cash receipts and payments, such as changes during the period in inventory, deferred income, and all accruals of expected future operating cash receipts and payments, such as changes during the period in receivables and payables, and (b) the effects of all items which cash effects are investing or financing cash flows, such as depreciation, amortization of goodwill, gains or losses on sales of property, plant and equipment and discontinued operations and gains or losses on extinguishment of debt. Also, cash flows from interest received and paid are classified in the statement of cash flows as operating activity only.

Accounting Policies, Errors and Estimates

Under Indonesian GAAP/IFAS, a statement of financial position as at the beginning of the preceding period is presented when an entity restates comparative information following a change in accounting policy, the correction of an error, or the reclassification of items in the statement of financial position.

Under U.S. GAAP, a statement of financial position as at the beginning of the earliest comparative period is not required in any circumstances.

Inventory

Under Indonesian GAAP/IFAS, the use of the LIFO method in determining the cost of inventory is not permitted.

Under U.S. GAAP, the use of the LIFO method in determining the cost of inventory is permitted.

Under Indonesian GAAP/IFAS, inventory provisions related to lower of cost and net realizable value adjustments can be written back up so that the carrying amount is the lower of cost and revised net realizable value.

Under U.S. GAAP, a provision to write down inventories to the lower of cost and net realizable value cannot be reversed should the market value recover prior to the sale or disposition. As a result, under U.S. GAAP, write-downs of inventory can only be recovered through a sale or a disposition.

Property, Plant and Equipment

Under Indonesian GAAP/IFAS, an entity must make an accounting policy choice to measure a class of property, plant and equipment by using either the cost model or the revaluation model. In cases where the cost model was chosen, for certain assets that have been revalued in the prior year in accordance with government regulation, the revaluation amount is considered as deemed cost and the balance of revaluation surplus previously presented as a separate item in equity, is reclassified to retained earnings on the initial adoption of the standard. The initial adoption of a policy to carry assets at revalued amount is a change in accounting policy and accounted as a revaluation in the year, rather than by means of a prior year adjustment.

Under U.S. GAAP, property, plant and equipment is measured at historical cost, and the revaluation model is not permitted.

Under Indonesian GAAP/IFAS, residual values of property, plant and equipment need to be reviewed at least annually and if expectations of residual values differ from previous estimates, the change in residual value is accounted for prospectively as a change in estimate and may be adjusted upwards or downwards, as appropriate.

Under U.S. GAAP, if expectations of the residual values differ from previous estimates, the change in residual values is accounted for prospectively as a change in estimate only if the residual values have decreased (which would result in an increase in depreciation expense in future periods because of a corresponding increase in the depreciable amount of the asset). An upward adjustment of the residual value is not permitted under U.S. GAAP.

Under Indonesian GAAP/IFAS, each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately (i.e., as if each component was a separate asset in its own right).

Under U.S. GAAP, an item of property, plant and equipment composed of significant parts is generally depreciated over a weighted-average useful life for the item as a whole. A components approach for depreciation is permitted but not required.

Under Indonesian GAAP/IFAS, costs related to major inspection and overhaul are recognized as part of the carrying amount of property, plant and equipment if they meet the asset recognition criteria.

Under U.S. GAAP, there are three alternative methods of accounting for costs related to major inspection or overhaul: (1) direct expensing, (2) built-in overhaul, and (3) deferral.

Investment Property

Under Indonesian GAAP/IFAS, investment property is property (land or building) held to earn rentals or for capital appreciation, or both.

Under U.S. GAAP, there is no specific definition of investment property; such property is accounted for as property, plant and equipment unless it meets the criteria to be classified as held-for-sale.

Under Indonesian GAAP/IFAS, subsequent to initial recognition, all investment property is measured under either the fair value model (subject to limited exceptions) or the cost model. If the fair value model is chosen, then changes in fair value are recognized in profit or loss.

Under U.S. GAAP, subsequent to initial recognition all investment property is measured using the cost model as property, plant and equipment.

Under Indonesian GAAP/IFAS, disclosure of the fair value of all investment property is required, regardless of the measurement model used.

Under U.S. GAAP, there is no requirement to disclose the fair value of investment property.

Land Rights

The title of land in Indonesia rests with the state under Basic Agrarian Law No. 5/1960. Land use is accomplished through land rights whereby the holder of the right enjoys the full use of the land for a stated period of time, subject to extensions. Land rights generally are freely tradeable and may be pledged as security under borrowing agreements. Under Indonesian GAAP/IFAS, the cost of acquired land rights is not amortized unless (a) the condition of the land is no longer suitable for the main operation of the enterprise, (b) the nature of the enterprise's main operation will result in the abandonment of the land and buildings subsequent to completion of the project, or (c) management's prediction or certainty that an extension or removal of the land rights will not be obtained. Costs to obtain those rights for the first time are capitalized as fixed assets but subsequent costs to extend or renew the rights are recognized as intangible assets and then amortized.

Under U.S. GAAP, the cost of acquired land rights is amortized over the period for which the holder is expected to retain the land rights.

Capitalization of Interest Cost in Construction in Progress

Under Indonesian GAAP/IFAS, one of the criteria for capitalizing interest cost into a qualifying asset is that the interest should be attributable to the qualifying asset. A qualifying asset under Indonesian GAAP/IFAS is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (i.e. a minimum of 12 months). Capitalizable interest costs include those arising from borrowings that are specifically attributable to the qualifying asset, which normally includes interest expense incurred on the borrowing, amortization of ancillary costs incurred in connection with the arrangement of the borrowings and exchange differences that are regarded as an adjustment of interest. Any interest income earned from temporary investment on unused borrowings is deducted from the capitalizable borrowing cost.

To the extent the funds are borrowed specifically to obtain a qualifying asset, the actual borrowing costs incurred on that borrowing are required to be capitalized.

If the funds are borrowed generally but are also used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization should be determined by applying a capitalization rate to the expenditures on that asset.

The capitalization rate should be the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period not including borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period should not exceed the amount of borrowing costs incurred during that period.

U.S. GAAP requires capitalization of borrowing costs on qualifying assets. To qualify, assets must require a period of time to get them ready for their intended use. Examples are assets that an enterprise constructs for its own use, such as facilities, and assets intended for sale or lease that are constructed as discrete projects, such as ships or real estate projects. However, interest cannot be capitalized for inventories that are routinely manufactured or otherwise produced in large quantities on a repetitive basis. Furthermore, foreign exchange gains and losses are not considered a component of financing costs and therefore are not capitalized.

The interest cost eligible for capitalization is the interest cost recognized on borrowings and other obligations. The amount capitalized is an allocation of the interest cost incurred during the period required to complete the asset. The interest rate for capitalization purposes is based on the rates on the enterprise's outstanding borrowings. If the enterprise associates a specific new borrowing with the

asset, it may apply the rate on that borrowing to the appropriate portion of the expenditures for the asset. A weighted average of the rates on other borrowings is applied to expenditures not covered by specific new borrowings. Judgment is required concerning the selection of borrowings to be included in the calculation of the capitalization rate.

Impairment of Long-Lived Assets

Under Indonesian GAAP/IFAS, an enterprise should assess at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the enterprise should estimate the recoverable amount of the asset. Impairment loss is recognized when the asset's carrying amount exceeds the recoverable amount, which is the higher of net selling price or value in use. An impairment loss is only reversed to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversal of impairment loss is required for assets, other than goodwill, if certain criteria are met.

Under U.S. GAAP, long-lived assets held and used by an entity are required to be tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is not recoverable and exceeds its fair value. The asset's carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows, excluding interest charges expected to result from the use and eventual disposition of the asset. That assessment shall be based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. An impairment loss shall be measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. Subsequent reversal of previously recognized impairment loss is prohibited.

Provisions and Contingencies

Under Indonesian GAAP/IFAS, a loss must be "probable" (in which "probable" is interpreted as "more likely than not") to be recognized. "More likely than not" refers to a probability of greater than 50%.

Under U.S. GAAP, a loss must be "probable" to be recognized. (While ASC 450 does not ascribe a percentage to "probable", "probable" is intended to denote a high likelihood. While a numeric standard for "probable" does not exist, in practice, an event that has a 75% or greater likelihood of occurrence is considered probable in practice.)

Under Indonesian GAAP/IFAS, provisions should be recorded at the estimated amount to settle or transfer the obligation taking into consideration the time value of money. The discount rate to be used should be "a pre-tax rate (or rates) that reflects (or reflect) current market assessments of the time value of money and the risks specific to the liability."

Under U.S. GAAP, provisions may be discounted only when the amount of the liability and the timing of the payments are fixed or reliably determinable, or when the obligation is a fair value obligation. The discount rate to be used is dependent upon the nature of the provision. However, when a provision is measured at fair value, the time value of money and the risks specific to the liability should be considered.

Under Indonesian GAAP/IFAS, best estimate of obligation should be accrued. For a large population of items being measured (such a warranty costs), best estimate is typically expected value, although midpoint in the range may also be used when any point in a continuous range is as likely as another. Best estimate for a single obligation may be the most likely outcome, although other possible outcomes should still be considered.

Under U.S. GAAP, the most likely outcome within the range should be accrued. When no one outcome is more likely than the others, the minimum amount in the range of outcomes should be accrued.

Under Indonesian GAAP/IFAS, once management has “demonstrably committed” (i.e. a legal or constructive obligation has been incurred) to a detailed exit plan, the general provisions under PSAK apply. Costs typically are recognized earlier than under U.S. GAAP because PSAK 57 focuses on the exit plan as a whole, rather than individual cost component of the plan.

Under U.S. GAAP, once management has committed to a detailed exit plan, each type of cost is examined to determine when it is recognized. Involuntary employee termination costs under a one-time benefit arrangement are recognized over future service period, or immediately if there is no future service required. Other exit costs are expensed when they are incurred.

Employee Benefits

Under Indonesian GAAP/IFAS, the liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plans assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability. Government bond yields should be used when there is no deep market in high-quality corporate bonds. Expected return on plan assets is determined based on either the fair value of a plan assets or a “calculated value” that recognises changes in fair value over a period of not more than five years. Positive and negative past-service costs are recognized over the remaining vesting period. Where a benefit has already vested, the company should recognize past-service costs immediately. Actuarial gains and losses arising from experience adjustments, or changes in actuarial assumptions among others when exceeding 10.0% of the defined benefit obligation or 10.0% of the fair value of plan assets are charged or credited to income over the average remaining service lives of the related employees. There is no requirement to recognize a minimum pension liability.

U.S. GAAP is similar to Indonesian GAAP/IFAS, except that government bonds are not specifically required. Rather, U.S. GAAP states that the selected discount rate should reflect the rates at which the benefits can be effectively settled. Companies may look to the rate of return on high-quality, fixed income investments with similar durations to those of the benefit obligation to establish the discount rate. Expected return on plan assets is determined based on the expected long-term rate of return on plan assets and the market-related value of plan assets. Positive prior service cost for current and former employees is recognized over the remaining service lives of active employees. Negative prior-service costs are used first to offset previous positive prior-service costs. Actuarial gains and losses and unrecognized prior service costs are amortized as a component of net periodic benefit cost. Further, U.S. GAAP requires, at a minimum, a liability for the amount of the unfunded accumulated benefit obligation be recognized at the end of the reporting period. If all or almost all plan participants are retired, actuarial gains and losses are amortized over the remaining life expectancy of the plan participants.

Taxation

Under Indonesian GAAP/IFAS, deferred tax assets are only recognized if it is probable that future taxable profit will be available against which the deferred tax assets can be utilized and is calculated at the tax rates that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of the deferred tax assets is reviewed periodically and reduced if appropriate. When an entity presents current and non-current classifications in its statement of financial position, it should not classify deferred tax assets (liabilities) as current assets (liabilities).

Under U.S. GAAP, deferred tax assets and liabilities are recognized to the extent that available evidence supports their realization and are measured using enacted tax rates for the period in which the asset or liability is expected to reverse. The future reversals of taxable temporary differences,

taxable income in prior carry back periods (as permitted by tax law), tax planning strategies, and future taxable income exclusive of reversing temporary differences and carry forwards must be evaluated in determining whether or not a valuation allowance is necessary. A valuation allowance is provided if it is more likely than not that all or a portion of the deferred tax assets will not be realized. An entity should present current and non-current deferred tax assets and liabilities separately in a classified statement of financial position, consistent with the classification of the underlying asset or liability generating the temporary difference.

Under Indonesian GAAP/IFAS, additional tax and penalties due in a tax assessment is recorded as an asset if the asset recognition criteria are met.

U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a position taken or expected to be taken in a tax return.

Uncertain tax positions are recognized and measured using a two-step process, first determining whether a benefit may be recognized and subsequently measuring the amount of the benefit. Tax benefits from uncertain tax positions can be recognized only if it is more likely than not that the tax position is sustainable based on its technical merits. Uncertain tax positions are evaluated at the individual tax position level. The tax position is measured by using a cumulative probability model: the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. The classification of interest and penalties related to uncertain tax positions (either in income tax expense or as a pre-tax item) represents an accounting policy decision that is to be consistently applied and disclosed.

Investments in Associates

Under Indonesian GAAP/IFAS, losses of the associates in excess of the Company and its subsidiaries' interest in those associates (which includes any long-term interests that, in substance, form part of the Company and its subsidiaries' net investment in the associate) are recognized only to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associate.

Under U.S. GAAP, an investor should continue to recognize losses when the imminent return to profitable operations of an investee appears to be assured (even if the investor has not (1) guaranteed obligations of the investee or (2) otherwise committed to provide further financial support to the investee).

Under U.S. GAAP, entities are provided with the option to account for equity-method investment at their fair value equity-method accounting. Further, uniform accounting policies between investor and investee are not required if the investee follows an acceptable alternative U.S. GAAP treatment.

Investments in Joint Ventures

Under Indonesian GAAP/IFAS, a joint arrangement is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an economic activity. Unanimous consent is required for the relevant activities of the parties sharing control, but not necessarily of all parties in the arrangement. Under Indonesian GAAP/IFAS, joint arrangements are classified in two types:

- joint operations, which give parties to the arrangement direct rights to the assets and obligations for the liabilities; and
- joint ventures, which give the parties rights to the net asset of the arrangement.

Under U.S. GAAP, the term “joint venture” refers only to jointly controlled entities, where the arrangement is carried on through a separate entity. A corporate joint venture is defined as a corporation owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group. Most joint venture arrangements give each venturer (investor) participating rights over the joint venture (with no single venturer having unilateral control), and each party sharing control must consent to the venture’s operating, investing, and financing decisions.

Revenue Recognition

Under Indonesian GAAP/IFAS, revenue from sale of goods is recognized only when: (i) risks and rewards of ownership have been transferred, (ii) the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, (iii) revenues can be measured reliably, (iv) it is probable that the economic benefits will flow to the seller, and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services may be recognized in accordance with long-term contract accounting whenever revenues, costs, and the stage of completion can be measured reliably, and it is probable that economic benefits will flow to the seller.

Under U.S. GAAP, public companies must follow Staff Accounting Bulletin Topic 13, “Revenue Recognition” (“SAB Topic 13”) when recognizing revenue from sale of goods, which requires that: (i) delivery has occurred (the risks and rewards of ownership have been transferred), (ii) there is persuasive evidence of an arrangement, (iii) the fee is fixed or determinable, and (iv) collectability is reasonable assured. Revenue from rendering certain types of services, primarily relating to services sold with software, are addressed separately in U.S. GAAP literature, while all other service revenue should follow SAB Topic 13. Application of long-term contract accounting generally is not permitted for non-construction services.

Under Indonesian GAAP/IFAS, construction contracts are accounted for using the percentage-of-completion method if certain criteria are met; otherwise, revenue recognition is limited to recoverable costs incurred. The use of the completed contract method is not permitted. Construction contracts are combined or segmented if certain criteria are met. The use of gross profit approach is not allowed.

Under U.S. GAAP, construction contracts are accounted for using the percentage-of-completion method if certain criteria are met; otherwise, the completed contract method must be used. Construction contracts may be, but are not required to be, combined or segmented if certain criteria are met. The use of gross profit approach is allowed.

Indonesian GAAP/IFAS requires recognition of revenue for each separately identifiable component of a single transaction if separation reflects the substance of the transaction; conversely, two or more transactions may be grouped together when their commercial effects are linked. Indonesian GAAP/IFAS does not provide specific criteria for identifying separate components in a single transaction.

Under U.S. GAAP, specific criteria are required in order for each element to be a separate unit of accounting. If those criteria are met, revenue for each element of the transaction may be recognized when the element is delivered. Delivered elements must have standalone value.

Under Indonesian GAAP/IFAS, deferred receipt of receivables is considered to be a financing agreement. Accordingly, the value of revenue to be recognized is determined by discounting all future receipts using an imputed rate of interest.

Under U.S. GAAP, discounting the deferred receipt of receivables to present value is required only in limited situations.

Under Indonesian GAAP/IFAS, the new standard “revenue from contracts with customers”, which provides a framework that replaces existing revenue guidance, is effective for annual periods beginning on or after January 1, 2020. Early adoption is permitted. A five-step model is used to implement the core transfer of control principle that is used to determine when to recognize revenue, and at what amount.

Under U.S. GAAP, the new Codification Topic, which provides a framework that replaces existing revenue guidance, is effective for annual periods beginning after December 15, 2017 (public business entities) or after December 15, 2018 (other entities). Early adoption is permitted but only for annual periods beginning after December 15, 2016. A five-step model is used to implement the core transfer of control principle that is used to determine when to recognize revenue, and at what amount.

Financial Instruments

Under Indonesian GAAP/IFAS, compound (hybrid) financial instruments are required to be split into a debt component and an equity component and, if applicable, a derivative component. The derivative component is accounted for using fair value accounting.

Under U.S. GAAP, compound (hybrid) financial instruments are not split into debt and equity components unless certain specific requirements are met, but they may be divided into debt and derivative components, with the derivative component accounted for using fair value accounting.

Under Indonesian GAAP/IFAS, only objective evidence of one or more credit loss events can generally result in an impairment being recognized in the statement of comprehensive income for an AFS debt instrument. The impairment loss is measured as the difference between the debt instrument’s amortized cost basis and its fair value. Impairment losses for AFS debt instruments may be reversed through the statement of other comprehensive income if the fair value of the instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognized.

Under U.S. GAAP, declines in fair value below cost may result in an impairment loss being recognized in the income statement on an AFS debt instrument due solely to a change in interest rates (risk free or otherwise) if the entity has the intent to sell the debt instrument or it is more likely than not that it will be required to sell the debt instrument before its anticipated recovery. In this circumstance, the impairment loss is measured as the difference between the debt instrument’s amortized cost basis and its fair value. When a credit loss exists, but: (i) the entity does not intend to sell the debt instrument, or (ii) it is not more likely than not that the entity will be required to sell the debt instrument before the recovery of the remaining cost basis, the impairment is separated into the amount representing the credit loss and the amount related to all other factors. The amount of the total impairment related to the credit loss is recognized in the income statement and the amount related to all other factors is recognized in other comprehensive income, net of applicable taxes. When an impairment loss is recognized in the income statement, a new cost basis in the instrument is established equal to the previous cost basis less the impairment recognized in earnings, and therefore, impairment losses recognized in the income statement cannot be reversed for any future recoveries.

Under Indonesian GAAP/IFAS, impairment of an AFS equity instrument is recognized in the statement of comprehensive income when there is objective evidence that the AFS equity instrument is impaired and the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an equity instrument below its cost is considered objective evidence of an impairment.

Under U.S. GAAP, impairment of an AFS equity instrument is recognized in the income statement if the equity instrument’s fair value is not expected to recover sufficiently in the near term to allow a full recovery of the entity’s cost basis. An entity must have the intent and ability to hold an impaired equity instrument until such near-term recovery; otherwise, an impairment loss must be recognized in the income statement.

Under Indonesian GAAP/IFAS, the impairment loss of a held-to-maturity (“HTM”) instrument is measured as the difference between the carrying amount of the instrument and the present value of estimated future cash flows discounted at the instrument’s initial effective interest rate. The carrying amount of the instrument is reduced either directly or through the use of an allowance account. The amount of impairment loss is recognized in the statement of comprehensive income.

Under U.S. GAAP, the impairment loss of a HTM instrument is measured as the difference between its fair value and amortized cost basis. The amount of the total impairment related to the credit loss is recognized in the income statement, and the amount related to all other factors is recognized in other comprehensive income. The carrying amount of an HTM investment after recognition of an impairment is the fair value of the debt instrument at the date of the impairment. The new cost basis of the debt instrument is equal to the previous cost basis less the impairment recognized in the income statement. The impairment recognized in other comprehensive income is accredited to the carrying amount of the HTM instrument through other comprehensive income over its remaining life.

Under Indonesian GAAP/IFAS, the definition of a derivative does not include a requirement that a notional amount be indicated, nor is net settlement a requirement. A number of the scope exceptions under Indonesian GAAP/IFAS differ from those under U.S. GAAP.

Under U.S. GAAP, to meet the definition of a derivative, an instrument must: (i) have one or more underlying, one or more notional amounts or payment provisions, or both, (ii) require no initial net investment (as defined), and (iii) be able to be settled net (as defined). Certain scope exceptions exist for instruments that would otherwise meet these criteria.

Indonesian GAAP/IFAS allows risks associated with only a portion of the instrument’s cash flows or fair value (such as one or more selected contractual cash flows or portions of them or a percentage of the fair value) when hedging a risk component of a financial instrument, provided that effectiveness can be measured, that is, the portion is separately identifiable and reliably measurable.

Under U.S. GAAP, the risk components that may be hedged are specifically defined by the literature, with no additional flexibility. Under U.S. GAAP, the shortcut method for interest rate swaps hedging recognized debt instruments is permitted. The long-haul method of assessing and measuring hedge effectiveness for a fair value hedge of the benchmark interest rate component of a fixed rate debt instrument requires that all contractual cash flows be considered in calculating the change in the hedged item’s fair value even though only a component of the contractual coupon payment is the designated hedged item.

Under Indonesian GAAP/IFAS, the use of the shortcut method for interest rate swaps hedging recognized debt is not permitted. Assessment and measurement of hedge effectiveness considers only the change in fair value of the designated hedged portion of the instrument’s cash flows, as long as the portion is separately identifiable and reliably measurable.

Under Indonesian GAAP/IFAS, the inclusion of an option’s time value in assessing and measuring the hedge effectiveness is not permitted.

Under U.S. GAAP, the inclusion of an option’s time value in assessing and measuring the hedge effectiveness is permitted.

Under Indonesian GAAP/IFAS, derecognition of financial assets is based on a mixed model that considers transfer of risks and rewards and control. Transfer of control is considered only when the transfer of risks and rewards assessment is not conclusive. If the transferor has neither retained nor transferred substantially all of the risks and rewards, there is then an evaluation of the transfer of control. Control is considered to be surrendered if the transferee has the practical ability to

unilaterally sell the transferred asset to a third party without restrictions. There is no legal isolation test required. The derecognition criteria may be applied to a portion of a financial asset if the cash flows are specifically identified or represent a pro rata share of the financial asset or a pro rata share of specifically identified cash flows.

Under U.S. GAAP, derecognition of financial assets (i.e. sales treatment) occurs when effective control over the financial asset has been surrendered whereby: (i) the transferred financial assets are legally isolated from the transferor, (ii) each transferee (or, if the transferee is a securitization entity or an entity whose sole purpose is to facilitate an asset-backed financing, each holder of its beneficial interests) has the right to pledge or exchange the transferred financial assets (or beneficial interests), and (iii) the transferor does not maintain effective control over the transferred financial assets or beneficial interests (e.g. through a call option or repurchase agreement). The derecognition criteria may be applied to a portion of a financial asset only if it mirrors the characteristics of the initial entire financial asset.

Indonesian GAAP/IFAS requires the initial effective interest rate to be used throughout the life of the instrument for all financial assets and liabilities, except for certain reclassified financial assets, in which case the effect of increases in cash flows are recognized as prospective adjustments to the effective interest rate.

U.S. GAAP requires the use of catch-up approach, retrospective method, or prospective method of calculating the interest for amortized cost-based assets, depending on the type of instrument.

Under Indonesian GAAP/IFAS, loans and receivables are carried at amortized cost unless classified into the “fair value through profit or loss” category or the “available for sale” category, both of which are carried at fair value on the statement of financial position.

Under U.S. GAAP, unless the fair value option is elected, loans and receivables are classified as either: (i) held for investment, which are measured at amortized cost, or (ii) held for sale, which are measured at the lower of cost or fair value.

Under Indonesian GAAP/IFAS, the day one gains and losses on financial instruments are recognized only when their fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. level 1 or level 2 input) or based on a valuation technique that uses only data from observable markets.

Under U.S. GAAP, entities are not precluded from recognizing day one gains and losses on financial instruments reported at fair value even when all inputs to the measurement model are not observable. Unlike Indonesian GAAP/IFAS, U.S. GAAP contains no specific requirements regarding the observability of inputs, thereby potentially allowing for the recognition of gains or losses at initial recognition of an asset or liability even when the fair value measurement is based on a valuation model with significant unobservable inputs (i.e. level 3 measurements).

Under Indonesian GAAP/IFAS, PSAK 71 replaced PSAK 55 — Financial Instruments: Recognition and Measurement, and includes the accounting requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The new model for classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The expected-loss impairment model requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a timely basis. It also requires disclosure to assist users in understanding the amount of expected credit loss, the basis for their measurement and the reasons for changes in expected credit loss over time. PSAK 71 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. The new hedge-accounting model aligns

the accounting treatment with risk management activities and includes additional disclosure of information about risk management and the effect of hedge accounting on the financial statements. The standard is effective for annual periods beginning on or after January 1, 2020. Early adoption is permitted.

Under U.S. GAAP, in January 2016, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-01, Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which requires entities to measure equity investments (except those accounted for under the equity method, those that result in consolidation of the investee and certain other investments) at fair value and recognize any changes in fair value in net income. A measurement alternative is available for equity investments that lack a readily determinable fair value. The ASU did not change the guidance for classifying and measuring investments in debt securities. The ASU also requires entities to record changes in instrument-specific credit risk for financial liabilities measured under the fair value option in other comprehensive income. It also made other targeted amendments to certain disclosure requirements and other aspects of the current U.S. GAAP. The FASB ultimately decided to make only targeted amendments in response to feedback it received on two earlier proposals, resulting in a significant departure from the joint model it developed with the International Accounting Standards Board and the final version of International Financial Reporting Standard 9 (financial instruments). As a result, entities that report under U.S. GAAP use a significantly different model for classifying and measuring financial instruments than entities that report under the International Financial Reporting Standards. ASU 2016-01 is effective for the calendar-year of a Public Business Entity (“PBE”) beginning in 2018. For all other calendar-year entities, it will be effective for annual periods beginning in 2019 and interim periods beginning in 2020. Non-PBEs can adopt the standard at the same time as PBEs, and both PBEs and non-PBEs can adopt certain provisions early.

Embedded Derivatives

Under Indonesian GAAP/IFAS, non-financial contracts denominated in a currency other than the functional currency of either of the contracting parties are closely related and therefore do not require bifurcation and separate accounting if such contracts are denominated in a currency that is commonly used in the economic environment in which the transaction takes place.

Under Indonesian GAAP/IFAS, after initial recognition, an entity does not have to reassess or bifurcate and separately recognize embedded derivatives unless there is a significant modification in the cash flows or there is a reclassification out of fair value through profit or loss.

Under U.S. GAAP, if the pricing terms of the non-financial contracts are not denominated in a currency that is either the local or functional currency of either party to the contract or are not denominated in a currency that is routinely used in international commerce, then such pricing is not clearly and closely related to the host contract.

Under U.S. GAAP, reassessment of embedded derivatives is required.

U.S. GAAP defines which components of risk can be hedged, Indonesian GAAP/IFAS provides more flexibility.

U.S. GAAP allows the use of the short cut method for interest rate swaps, Indonesian GAAP/IFAS does not.

There are differences in the method to compute hedge effectiveness under Indonesian GAAP/IFAS and U.S. GAAP.

Earnings per Share

Under Indonesian GAAP/IFAS, contracts that may be settled in shares or cash at the issuer's option are always assumed to be settled in shares.

Under U.S. GAAP, contracts that may be settled in shares or cash at the issuer's option are presumed to be settled in shares unless evidence is provided to the contrary (i.e. the issuer's past practice or stated policy is to settle in cash).

Under Indonesian GAAP/IFAS, in computing the year-to-date and annual diluted earnings per share ("EPS") for options and warrants (using the treasury stock method) and for contingently issuable shares, regardless of whether the period is profitable, the number of incremental shares is computed as if the entire year-to-date period were "the period" (i.e. not to average the current quarter with each of the prior quarters).

Under U.S. GAAP, in computing the year-to-date and annual diluted EPS for options and warrants (using the treasury stock method) and for contingently issuable shares, for year-to-date and annual computations when each period is profitable, the number of incremental shares added to the denominator is the weighted average of the incremental shares that were added to the denominator in each of the quarterly computations.

Under Indonesian GAAP/IFAS, when using the treasury stock method for options, warrants, and their equivalents, there is no explicit requirement to assume proceeds to include the income tax effects on additional paid-in capital.

Under U.S. GAAP, when using the treasury stock method, it assumes that proceeds include the income tax effects, if any, on additional paid-in capital at exercise.

Under Indonesian GAAP/IFAS, potentially issuable shares in contingently convertible debt are considered "contingently issuable" and are included in diluted EPS using the if-converted method only if the contingencies are satisfied at the end of the reporting period.

Under U.S. GAAP, potentially issuable shares in contingently convertible debt are included in diluted EPS using the if-converted method if one or more contingencies relate to a market price trigger (e.g. the entity's share price), even if the market price trigger is not satisfied at the end of the reporting period.

Segment Reporting

Under Indonesian GAAP/IFAS, all entities determine segments based on the management approach, regardless of form of organization.

Under U.S. GAAP, entities with a matrix form of organization must determine segments based on products and services.

Subsequent Events

Under Indonesian GAAP/IFAS, subsequent events are evaluated through the date that the financial statements are authorized for issuance. Depending on an entity's corporate governance structure and statutory requirements, authorization may come from management or a board of directors.

Under U.S. GAAP, subsequent events are evaluated through the date the financial statements are issued (for United States Securities and Exchange Commission ("SEC") registrants and conduit bond obligors) or available to be issued (for all entities other than SEC registrants and conduit bond

obligors). Financial statements are considered issued when they are widely distributed to shareholders or other users in a form that complies with U.S. GAAP. Financial statements are considered available to be issued when they are in a form that complies with U.S. GAAP and all necessary approvals have been obtained.

Indonesian GAAP/IFAS does not specifically address the reissuance of financial statements and recognizes only one date through which subsequent events are evaluated, that is, the date that the financial statements are authorized for issuance, even if they are being reissued. As a result, only one date will be disclosed with respect to the evaluation of subsequent events, and an entity could have adjusting subsequent events in reissued financial statements, to the extent the facts and circumstances are available at the balance sheet date.

Under U.S. GAAP, if the financial statements are reissued, events or transactions may have occurred that require disclosure in the reissued financial statements to keep them from being misleading. However, an entity should not recognize events occurring between the time the financial statements were issued or available to be issued and the time the financial statements were reissued unless the adjustment is required by U.S. GAAP or regulatory requirements.

Finance Leases

Under Indonesian GAAP/IFAS a lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership. At the commencement of the lease term, lessees shall recognize finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The asset is depreciated over its useful life or the lease term if shorter. However, the latter is only permitted if there is no reasonable certainty of the lessee obtaining ownership of the asset. The following conditions normally lead to a finance lease: (a) ownership is transferred to lessee at the end of the lease term; (b) a bargain purchase option exists; (c) the lease term is for the majority of the leased asset's economic life; (d) the present value of minimum lease payments is equal to substantially all of the fair value of the leased asset; and (e) the leased assets are of a specialized nature that only the lessee can use without major modification.

U.S. GAAP defines a lease as a contract conveying the right to use property, plant or equipment for a stated period of time. A service agreement may be accounted for as a leasing arrangement, as opposed to a service contract, if the substance conveys a right to use the underlying property, plant and equipment.

U.S. GAAP has specific "bright line" tests, while Indonesian GAAP/IFAS does not. This may result in differences between transactions that are close to these test parameters.

Under Indonesian GAAP/IFAS, the new standard for leases, is effective for annual periods beginning on or after January 1, 2020. Early adoption is permitted. The new standard applies to leases of property, plant and equipment and other assets, with limited exclusions. Lessees apply a single on-balance sheet lease accounting model, except for leases to which they elect to apply the recognition exemptions for short-term leases or leases of low-value assets. A lessee measures the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses, except when it applies the alternative measurement models for revalued assets and investment property. Lease classification by lessors is made at inception of the lease and is reassessed only if there is a lease modification and that modification is not accounted for as a separate lease. The classification depends on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred, based on the substance of the arrangement. In a sub-lease, the intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. An intermediate lessor classifies a sub-lease by reference to the right-of-use asset arising from the head lease.

Under U.S. GAAP, the new Codification Topic is effective for annual periods beginning after 15 December 2018 (public business entities) or after 15 December 2019 (other entities). Early adoption is permitted. The new Codification Topic applies to leases of property, plant and equipment, the scope excludes leases of inventory, leases of assets under construction and all leases of intangible assets. There is a dual classification on-balance sheet lease accounting model for lessees: finance leases and operating leases. Classification is determined by pass/fail tests intended to determine whether the lessee obtains control of the use of the underlying asset as a result of the lease. Classification is made at commencement of the lease and is reassessed only if there is a lease modification and that modification is not accounted for as a separate lease. There is no exemption for leases of low-value assets. For a finance lease, a lessee measures the right-of-use asset at cost less accumulated amortization and accumulated impairment losses. For an operating lease, unless the right-of-use asset has been impaired, a lessee amortizes the right-of-use asset as a balancing amount that together with accretion on the lease liability generally produces straight-line total lease expense, a lessee cannot revalue right-of-use assets, and there is no alternative measurement model for leases of investment property. Lease classification by lessors is made at commencement of the lease. In addition, the classification is determined by a series of pass/fail tests intended to determine whether the lessee obtains control of the use of the underlying asset as a result of the lease. In a sub-lease transaction, the intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. An intermediate lessor classifies a sub-lease by reference to the underlying asset.

Determining whether an Arrangement contains a Lease

Under ISFAS 8, an entity may enter into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset in return for a payment or series of payments. There is an arrangement in which one entity (the supplier) may convey such a right to use an asset to another entity (the purchaser). ISFAS 8 provides guidance for determining whether such arrangements are, or contain, leases that should be accounted for in accordance with SFAS 30 — Leases. U.S. GAAP is consistent with ISFAS 8.

Accounting Treatment for Transactions based on Power Purchase Agreements

Under Indonesian GAAP, public company or issuer in Indonesia with transactions based on PPAs applies Indonesian GAAP. Under Regulation No. 6 which applies prospectively for the year beginning on January 1, 2017 and permits early adoption for the year beginning on January 1, 2016 for listed and public companies, all transactions based on PPAs and ESCs with IPPs are treated as sale and purchase transactions even if they contain arrangements other than in connection with the sale and purchase of electricity. The cost of electricity purchases from IPPs are recognized when incurred as purchased electricity expense and presented in consolidated statements of profit or loss and other comprehensive income. Regulation No. 6 supersedes ISFAS 8 specifically for transactions based on PPAs.

Under U.S. GAAP, an entity is required to determine whether the PPA contains a lease or derivatives. When an entity is classified as “a unit of the Ministry of Energy and Public Works”, no consideration is given to whether this entity would be using the standards as promulgated by the United States Governmental Accounting Standards Board.

U.S. GAAP has specific guidance related to regulated utilities, entities that are within the scope of ASC 980.

- Property, plant and equipment:
 - Decommissioning obligations: differences between Indonesian GAAP/IFAS and U.S. GAAP related to measurement of the liability and recognition of the decommissioning asset.

- Impairment: differences relate to test triggers and measurement of impairment. U.S. GAAP does not allow the reversal of impairment, while Indonesian GAAP/IFAS may allow in certain situations.
- U.S. GAAP does not allow revaluation.
- Regulatory assets and liabilities: If the entity is within the scope of ASC 980, U.S. GAAP contains guidance about the accounting for assets and liabilities that arise for rate making.
- Identification and classification of concession arrangements — Indonesian GAAP/IFAS requires these arrangements to be analyzed to determine if the concession represents a financial asset or an intangible asset. U.S. GAAP has no specific guidance.
- Government electricity subsidies — consider whether revenue or offset to cost of sales under revenue recognition standards.

GENERAL INFORMATION

1. The establishment of the Program and the issue of the Notes have been duly authorized pursuant to:
 - a. our Work Plan and Budget (*Rencana Kerja dan Anggaran Perusahaan or RKAP*) for 2018 that has been ratified by the Minister of State Owned Enterprises of the Republic of Indonesia as our sole shareholder under the Minutes of General Meeting of Shareholders of PLN on the Ratification of 2018 RKAP No. RIS-01/D2.MBU/01/2018 dated January 4, 2018;
 - b. our Board of Directors Resolution No. 075/DIR/2017 dated October 18, 2017;
 - c. our Board of Commissioners Resolution No. 06/DK-PLN/2018 dated January 10, 2018; and
 - d. approval of Minister of State Owned Enterprise No. S-186/MBU/03/2018 dated March 29, 2018.
2. Save as disclosed herein, there has been no significant change in the financial or trading position of the Company and its subsidiaries since December 31, 2017. As far as the Company is aware, there has been no material adverse change in the prospects of the Company and its subsidiaries since December 31, 2017.
3. Save as disclosed herein, there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware during the 12 months preceding the date of this Offering Memorandum, which may have, or have had in the recent past, significant effects on the financial position of the Company.
4. Our Legal Entity Identifier is 254900OYVDRYS9J51J61.
5. We are a limited liability company domiciled in South Jakarta, Indonesia, based on Certificate of Domicile No. 401.27.1BU.1/31.74.07.1001/071.562/e/2017 dated May 17, 2017, registered under Company Registration Certificate (Tanda Daftar Perusahaan) No. 09.03.1.35.26296 dated August 10, 2016, with our registered office at Jl. Trunojoyo Blok M I/135 Kebayoran Baru, Jakarta, 12160 Indonesia, and conducting our activities based on Government Regulation No. 18 of 1972 on Perusahaan Umum Listrik Negara.
6. For so long as Notes may be issued pursuant to this Offering Memorandum, the following documents will be available, during usual business hours on any weekday (public holidays excepted), for inspection at the registered office of the Company and at the specified offices of the Paying Agent in Hong Kong:
 - (i) the Program Agreement;
 - (ii) the Indenture;
 - (iii) our latest audited consolidated audited financial statements and our latest interim financial statements;
 - (iv) each Pricing Supplement in respect of Notes listed on any stock exchange; and
 - (v) a copy of this Offering Memorandum or any further offering memorandum and any supplementary offering memorandum.

GLOSSARY OF SELECTED ELECTRICITY TERMS

The following explanations are not technical definitions, but they could assist you in understanding some of the terms used in this Offering Memorandum.

Capacity Factor	The capacity factor is calculated by dividing (i) the total GWh produced, by (ii) MV capacity times the total number of hours in the year.
Electricity generating plant	An electric generator together with the turbine or other device which drives it.
ESC	Energy Sales Contract.
Gigawatt (GW)	1,000,000,000 watts (1,000 megawatts).
Gigawatt hour (GWh)	One gigawatt of power supplied or demanded for one hour.
Installed capacity	The maximum power which could be produced continuously throughout a prolonged period of operation. All equipment is assumed to be fully operational.
IPP	Independent power producer.
IPP Power Supply Contracts	PPAs and ESCs with IPPs.
Kiloliter	A metric unit of volume equal to 1,000 liters.
Kilometer-circuit	The route kilometers of revenue producing circuits in service, determined by measuring the length in terms of kilometers of the actual path followed by the transmission/distribution medium.
Kilovolt (kV)	1,000 volts.
Kilowatt (kW)	1,000 watts.
Kilowatt hour (kWh)	One kilowatt of power supplied or demanded for one hour. kVA Kilovolt ampere.
Megavolt ampere (MVA)	1,000,000 volts ampere.
Megawatt (MW)	1,000,000 watts (1,000 kilowatts).
Megawatt hour (MWh)	One megawatt of power supplied or demanded for one hour.
MMSCF	Million metric standard cubic feet.
PPA	Power purchase agreement.
SAIDI	System Average Interruption Duration Index, which is a measure of system reliability.
SAIFI	System Average Interruption Frequency Index, which is a measure of system reliability.

Substation	Equipment which switches and/or changes or regulates the voltage of electricity in a transmission and distribution system.
TBtu	Tera British thermal unit.
TMC	Total maintenance contract.
VA	Volt ampere
Volt	The basic unit of electric force analogous to water pressure in pounds per square inch.
Volt ampere	The basic unit of apparent electrical power.
Watt	The basic unit of active electrical power.

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**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/*AND SUBSIDIARIES***

**Laporan Keuangan Konsolidasian
Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016**

***Consolidated Financial Statements
For the Years Ended
December 31, 2017 and 2016***

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

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Laporan Perubahan Ekuitas Konsolidasian	6	<i>Consolidated Statements of Changes in Equity</i>
Laporan Arus Kas Konsolidasian	7	<i>Consolidated Statements of Cash Flows</i>
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PT PLN (Persero)

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(021)7251234, 7250550

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Website : www.pln.co.id

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB
ATAS LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL 31 DESEMBER 2017 DAN 2016
DAN UNTUK TAHUN-TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2017 DAN 2016**

**DIRECTORS STATEMENT LETTER
RELATING TO THE RESPONSIBILITY
ON THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2017 AND 2016
AND FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

Kami yang bertanda tangan di bawah ini/We, the undersigned:

1. Nama/Name	: SOFYAN BASIR
Alamat kantor/Office address	: PT PLN (Persero) Jl. Trunojoyo Blok M/135 Jakarta Selatan
Alamat domisili sesuai KTP atau kartu identitas lain/Domicile as stated in ID card	: Jl. Taman Bendungan Jatiluhur No. 3 Bendungan Hilir Jakarta Pusat
Nomor telepon/Phone number	: (021) 7220300
Jabatan/Position	: DIREKTUR UTAMA/PRESIDENT DIRECTOR

2. Nama/Name	: SARWONO SUDARTO
Alamat kantor/Office address	: PT PLN (Persero) Jl. Trunojoyo Blok M/135 Jakarta Selatan
Alamat domisili sesuai KTP atau kartu identitas lain/Domicile as stated in ID card	: Komplek BRI Blok A No. 45 Jl. Pramukasari IV RT 009 RW 005 Rawasari, Cempaka Putih Jakarta Pusat
Nomor telepon/Phone number	: (021) 7392038
Jabatan/Position	: DIREKTUR KEUANGAN/FINANCE DIRECTOR

menyatakan bahwa/state that:

- | | |
|---|--|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan Konsolidasian; | 1. We are responsible for the preparation and presentation of the Consolidated Financial Statements; |
| 2. Laporan Keuangan Konsolidasian telah disusun dan disajikan sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia; | 2. The Consolidated Financial Statements have been prepared and presented in accordance with Indonesian Generally Accepted Accounting Principles; |
| 3. a. Semua informasi dalam Laporan Keuangan Konsolidasian telah dimuat secara lengkap dan benar;
b. Laporan Keuangan Konsolidasian tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material; | 3. a. All information contained in the Consolidated Financial Statements is complete and correct;
b. The Consolidated Financial Statements do not contain misleading material information or facts and do not omit material information or facts; |
| 4. Kami bertanggung jawab atas sistem pengendalian intern Perusahaan dan Entitas Anak. | 4. We are responsible for the internal control system of the Company and its Subsidiaries. |

Demikian surat pernyataan ini dibuat dengan sebenarnya.

This statement letter is made truthfully.

Jakarta, 18 April 2018/ April, 18, 2018

SOFYAN BASIR
Direktur Utama/President Director



SARWONO SUDARTO
Direktur Keuangan/Finance Director

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

Nomor/Number : R-1/181.AGA/sat.2/2018

RSM Indonesia
Plaza ASIA, Level 10
Jl. Jend. Sudirman Kav. 59
Jakarta 12190 Indonesia

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Laporan Auditor Independen/ Independent Auditors' Report

Pemegang Saham, Dewan Komisaris dan Direksi/
The Shareholder, Board of Commissioners and Directors

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara

Kami telah mengaudit laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("Perusahaan") dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2017 dan 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun-tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those

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AUDIT | TAX | CONSULTING

tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anaknya tanggal 31 Desember 2017 dan 2016, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun-tahun yang berakhir pada tanggal tersebut, sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia.

Penekanan suatu hal

Kami membawa perhatian ke Catatan 2.a atas laporan keuangan konsolidasian terlampir yang menjelaskan bahwa Perusahaan mengubah kebijakan akuntansi untuk transaksi berdasarkan perjanjian jual beli tenaga listrik dengan menerapkan lebih dini Peraturan Otoritas Jasa Keuangan No.6 POJK.04/2017 secara prospektif untuk periode tahun buku yang dimulai 1 Januari 2016. Dampak perubahan kebijakan akuntansi ini diungkapkan dalam Catatan 56 atas laporan keuangan konsolidasian terlampir. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries as of December 31, 2017 and 2016, and their consolidated financial performance and cash flows for the years then ended, in accordance with Indonesian Generally Accepted Accounting Principles.

Emphasis of matter

We draw attention to Note 2.a to the accompanying consolidated financial statements which explains that the Company changed its accounting policy for transactions based on power purchase agreements by early applying the Financial Services Authority Regulation No.6 POJK.04/2017 prospectively for the annual period beginning on January 1, 2016. The effect of such change in accounting policy is disclosed in Note 56 to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Hal lain

Sebelum laporan ini, kami telah menerbitkan laporan auditor independen No. R/181.AGA/sat.2/2018 bertanggal 28 Maret 2018 atas laporan keuangan konsolidasian Perusahaan pada tanggal 31 Desember 2017 dan untuk tahun yang berakhir pada tanggal tersebut dengan opini tanpa modifikasi. Sehubungan dengan rencana Perusahaan untuk melakukan penawaran umum efek utang, Perusahaan telah menerbitkan kembali laporan keuangan konsolidasian tersebut sebagaimana dijelaskan dalam Catatan 58 atas laporan keuangan konsolidasian terlampir.

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam dokumen penawaran sehubungan dengan rencana Perusahaan untuk melakukan penawaran umum efek utang, serta tidak ditujukan dan tidak diperkenankan untuk digunakan untuk tujuan lain.

Other matters

Prior to this report, we have issued our independent auditors' report No. R/181.AGA/sat.2/2018 dated March 28, 2018 on the consolidated financial statements of the Company as of December 31, 2017 and for the year then ended with an unmodified opinion. With respect to the plan of the Company to conduct public offering of debt securities, the Company has reissued its consolidated financial statements as described in Note 58 to the accompanying consolidated financial statements.

This report is issued for the purpose of being included in the offering documents in connection with the plan of the Company to conduct public offering of debt securities, and is not intended nor permitted to be used for any other purposes.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan**Saptoto Agustomo**

Nomor Izin Akuntan Publik: AP.0499/
Public Accountant License Number: AP.0499

Jakarta, 18 April / April 18, 2018

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

LAPORAN POSISI KEUANGAN KONSOLIDASIAN

31 Desember 2017 dan 2016

(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017 Rp	2016 Rp	
ASET				ASSETS
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Aset tetap	6	1,204,568,429	1,145,529,527	<i>Property, plant and equipment</i>
Properti investasi	7	4,723,070	1,325,297	<i>Investment properties</i>
Investasi pada entitas asosiasi	8	2,432,830	1,980,118	<i>Investments in associates</i>
Investasi pada ventura bersama	8	4,445,668	1,849,864	<i>Investments in joint ventures</i>
Aset pajak tangguhan	47	9,566,473	9,882,003	<i>Deferred tax assets</i>
Piutang pihak berelasi	9	237,181	263,064	<i>Receivables from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	10	7,487,709	7,464,260	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	16	634,949	350,465	<i>Other receivables</i>
Aset tidak lancar lain	11	7,064,097	4,964,300	<i>Other non-current assets</i>
Jumlah Aset Tidak Lancar		<u>1,241,160,406</u>	<u>1,173,608,898</u>	Total Non-current Assets
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	12	42,291,959	41,909,223	<i>Cash and cash equivalents</i>
Investasi jangka pendek	13	286,697	374,771	<i>Short-term investments</i>
Piutang usaha				<i>Trade receivables</i>
Pihak berelasi	14	580,993	565,458	<i>Related parties</i>
Pihak ketiga	14	21,885,850	21,145,503	<i>Third parties</i>
Piutang subsidi listrik	15	7,588,977	12,446,110	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	16	1,672,237	2,411,384	<i>Other receivables</i>
Persediaan	17	12,828,118	11,569,596	<i>Inventories</i>
Pajak dibayar dimuka	18	4,997,393	7,206,530	<i>Prepaid taxes</i>
Biaya dibayar dimuka dan uang muka	19	1,629,609	898,039	<i>Prepaid expenses and advances</i>
Piutang pihak berelasi	9	5,294	36,548	<i>Receivables from related parties</i>
Aset lancar lain	55	30,124	5,915	<i>Other current assets</i>
Jumlah Aset Lancar		<u>93,797,251</u>	<u>98,569,077</u>	Total Current Assets
JUMLAH ASET		<u>1,334,957,657</u>	<u>1,272,177,975</u>	TOTAL ASSETS

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
(Lanjutan)**

31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)**

December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017 Rp	2016 Rp	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
EKUITAS				EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the parent
Modal saham - nilai nominal Rp1 per saham				Capital stock - par value of Rp1 per share
Modal dasar - masing-masing 439.000.000 saham dan 204.000.000 saham per 31 Desember 2017 dan 2016				Authorized - 439,000,000 shares and 204,000,000 shares as of December 31, 2017 and 2016, respectively
Modal ditempatkan dan disetor penuh - masing-masing 109.826.526 saham dan 55.666.007 saham per 31 Desember 2017 dan 2016	20	109,826,526	55,666,007	Subscribed and paid-up 109,826,526 shares and 55,666,007 shares as of December 31, 2017 and 2016, respectively
Tambahan modal disetor	21	20,871,265	21,797,016	Additional paid-in capital
Penyertaan modal Negara dalam proses penerbitan saham	20	--	54,160,519	Stock subscription from Government in issuance process
Saldo laba				Retained earnings
Ditentukan penggunaannya	20	48,665,115	40,304,040	Appropriated
Tidak ditentukan penggunaannya	20	71,093,240	77,194,942	Unappropriated
Penghasilan komprehensif lain		618,462,276	629,159,943	Other comprehensive income
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk		868,918,422	878,282,467	Equity attributable to owners of the parent
Kepentingan non-pengendali		498,182	116,990	Non-controlling interests
Jumlah Ekuitas		869,416,604	878,399,457	Total Equity
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan	47	2,066,364	59,725	Deferred tax liabilities
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun				Long-term liabilities - net of current portion
Penerusan pinjaman	23	31,485,476	29,133,756	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank	24	6,309,173	7,257,810	Government and non-bank Government financial institution loans
Utang sewa pembiayaan	25	15,713,269	17,933,075	Lease liabilities
Utang bank	26	116,017,364	100,362,498	Bank loans
Utang obligasi dan sukuk ijarah	27	100,440,360	68,824,683	Bonds payable and sukuk ijarah
Utang listrik swasta	28	7,026,434	7,315,422	Electricity purchase payable
Utang KIK - EBA	27	2,907,986	--	KIK - EBA loans
Utang pihak berelasi	29	794	2,301	Payable to related parties
Liabilitas imbalan kerja	49	43,559,022	41,110,112	Employee benefits liabilities
Utang lain-lain	31	940,153	155,781	Other payables
Jumlah Liabilitas Jangka Panjang		326,466,395	272,155,163	Total Non-current Liabilities

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
(Lanjutan)**

31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)**

December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017 Rp	2016 Rp	
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang usaha				Trade payables
Pihak berelasi	30	11,215,239	7,772,693	Related parties
Pihak ketiga	30	32,496,186	22,419,391	Third parties
Utang pajak	32	2,387,864	1,950,946	Taxes payable
Biaya masih harus dibayar	33	11,477,437	10,644,559	Accrued expenses
Uang jaminan langganan	34	12,642,333	12,049,554	Customers' security deposits
Utang biaya proyek	35	723,992	384,739	Project cost payable
Pendapatan ditangguhkan	22	1,218,400	1,147,227	Deferred revenue
Utang jangka panjang jatuh tempo dalam satu tahun				Current maturities of long-term liabilities
Penerusan pinjaman	23	2,735,992	2,562,332	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank	24	1,043,793	1,043,793	Government and non-bank institution loans
Utang sewa pembiayaan	25	4,871,908	3,789,317	Lease liabilities
Utang bank	26	26,548,747	26,394,780	Bank loans
Utang obligasi dan sukuk ijarah	27	914,000	9,568,000	Bonds payable and sukuk ijarah
Utang listrik swasta	28	349,968	328,683	Electricity purchase payable
Utang KIK - EBA	27	630,600	--	KIK - EBA loans
Liabilitas imbalan kerja	49	8,562,927	3,494,487	Employee benefits liabilities
Utang lain-lain	31	21,255,272	18,072,854	Other payables
Jumlah Liabilitas Jangka Pendek		139,074,658	121,623,355	Total Current Liabilities
JUMLAH LIABILITAS		465,541,053	393,778,518	TOTAL LIABILITIES
JUMLAH EKUITAS DAN LIABILITAS		1,334,957,657	1,272,177,975	TOTAL EQUITY AND LIABILITIES

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the Years Ended
December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017 Rp	2016 Rp	
PENDAPATAN USAHA				REVENUES
Penjualan tenaga listrik	36	246,586,856	214,139,834	Sale of electricity
Penyambungan pelanggan	22	7,113,454	7,052,136	Customer connection fees
Lain-lain	38	1,594,933	1,629,986	Others
Jumlah Pendapatan Usaha		<u>255,295,243</u>	<u>222,821,956</u>	Total Revenues
BEBAN USAHA				OPERATING EXPENSES
Bahan bakar dan pelumas	39	116,947,824	109,492,383	Fuel and lubricants
Pembelian tenaga listrik	40	72,426,641	59,729,390	Purchased electricity
Sewa	41	6,592,161	6,545,114	Lease
Pemeliharaan	42	19,515,606	21,226,736	Maintenance
Kepegawaian	43	23,124,511	22,659,965	Personnel
Penyusutan	6	29,160,597	27,512,150	Depreciation
Lain-lain	44	7,706,754	7,284,064	Others
Jumlah Beban Usaha		<u>275,474,094</u>	<u>254,449,802</u>	Total Operating Expenses
RUGI USAHA SEBELUM SUBSIDI		<u>(20,178,851)</u>	<u>(31,627,846)</u>	OPERATING LOSS BEFORE SUBSIDY
Subsidi listrik Pemerintah	37	45,738,215	58,043,265	Government's electricity subsidy
LABA USAHA SETELAH SUBSIDI		<u>25,559,364</u>	<u>26,415,419</u>	OPERATING INCOME AFTER SUBSIDY
Penghasilan lain-lain - bersih	46	3,409,941	1,092,366	Other income - net
Keuntungan (kerugian) kurs mata uang asing - bersih		(2,935,144)	4,195,210	Gain (loss) on foreign exchange - net
Penghasilan keuangan		1,066,842	578,507	Financial income
Beban keuangan	45	(18,556,931)	(18,703,276)	Financial cost
LABA SEBELUM PAJAK		<u>8,544,072</u>	<u>13,578,226</u>	INCOME BEFORE TAX
BEBAN PAJAK	47	<u>(4,115,955)</u>	<u>(5,427,843)</u>	TAX EXPENSES
LABA TAHUN BERJALAN		<u>4,428,117</u>	<u>8,150,383</u>	INCOME FOR THE YEAR

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN (Lanjutan)**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Continued)**

For the Years Ended
December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017 Rp	2016 Rp	
LABA TAHUN BERJALAN		4,428,117	8,150,383	INCOME FOR THE YEAR
Penghasilan komprehensif lain tahun berjalan				Other comprehensive income for the year
Pos-pos yang akan direklasifikasi ke laba rugi:				<i>Items that may be reclassified subsequently to profit or loss:</i>
Bagian penghasilan (beban) komprehensif lain dari entitas asosiasi dan ventura bersama		461,901	(9,313)	<i>Share of other comprehensive income (expenses) from associates and joint venture</i>
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				<i>Items that will not be reclassified to profit or loss:</i>
Surplus revaluasi aset tetap		(6,933,307)	2,287	<i>Property, plant and equipment revaluation surplus</i>
Pengukuran kembali atas program imbalan pasti		(5,635,015)	(2,766,341)	<i>Remeasurement on defined benefit plans</i>
Manfaat pajak terkait		1,408,754	691,585	<i>Related income tax benefits</i>
Penghasilan komprehensif lain tahun berjalan setelah pajak		(10,697,667)	(2,081,782)	Other comprehensive income for the year after tax
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		(6,269,550)	6,068,601	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
Laba tahun berjalan diatribusikan kepada:				<i>Income for the year attributable to:</i>
Pemilik entitas induk		4,410,210	8,113,656	<i>Owners of the parent</i>
Kepentingan non-pengendali		17,907	36,727	<i>Non-controlling interest</i>
Jumlah		4,428,117	8,150,383	Total
Jumlah penghasilan komprehensif tahun berjalan diatribusikan kepada:				<i>Total comprehensive income for the year attributable to:</i>
Pemilik entitas induk		(6,287,457)	6,031,874	<i>Owners of the parent</i>
Kepentingan non-pengendali		17,907	36,727	<i>Non-controlling interest</i>
Jumlah		(6,269,550)	6,068,601	Total
LABA PER SAHAM DASAR (Dalam Rupiah penuh)	48	50,541	150,009	BASIC EARNINGS PER SHARE (In Rupiah full amount)

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

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**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
Untuk Tahun-tahun yang Berakhir pada tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Subscribed and paid-up capital stock	Penyertaan modal Negara dalam proses penerbitan saham/ Stock subscription from Government in process	Tambahan modal disetor/ Additional paid-in capital	Ditemukan pengunaannya/ Appropriated	Saldo laba/ Retained earnings	Surplus revaluasi aset tetap/ Property, plant and equipment revaluation surplus	Pengukuran kembali atas program imbalan pensiun/ Remeasurement on defined benefit plans	Bagian penghasilan komprehensif lain dari entitas asosiasi dan ventura bersama/ Share of other comprehensive income from associates and joint ventures	Ekuitas yang dapat didistribusikan kepada pemilik entitas induk/ Equity attributable to owner of the parent	Kepentingan non-pengendali/ Non-controlling interests	Jumlah ekuitas/ Total equity	Penghasilan komprehensif lain/ Other comprehensive income		
												Rp	Rp	
	46,197,380	9,468,627	49,707,027	26,872,493	41,222,131	638,105,386	(6,900,639)	36,978	804,709,383	81,234	804,790,617	Balance as of December 31, 2015		
2.a	--	--	--	--	43,428,454	--	--	--	43,428,454	--	43,428,454	Adjustment related to the implementation of POJK No.6 - net		
	46,197,380	9,468,627	49,707,027	26,872,493	84,650,585	638,105,386	(6,900,639)	36,978	848,137,837	81,234	848,219,071	Adjusted balance as of January 1, 2016		
21	9,468,627	21,131,892	(30,600,519)	--	--	--	--	--	--	--	--	Reclassification from additional paid-in capital		
21	--	23,560,000	2,696,131	--	--	--	--	--	26,156,131	--	26,156,131	Capital addition during the year		
20	--	--	--	13,431,547	(13,431,547)	--	--	--	--	--	--	Appropriation during the year		
21	--	--	94,377	--	--	--	--	--	94,377	127	94,504	Differences between asset and liabilities of tax amnesty		
20	--	--	--	--	(2,137,752)	--	--	--	(2,137,752)	(1,098)	(2,138,850)	Dividends		
	--	--	--	--	8,113,666	2,287	(2,074,756)	(9,313)	6,031,874	36,727	6,068,601	Total comprehensive income for the year		
	55,666,007	54,160,519	21,797,016	40,304,040	77,194,942	638,107,673	(8,975,395)	271,665	878,282,467	116,990	878,399,457	Balance as of December 31, 2016		
20	54,160,519	(54,160,519)	--	--	--	--	--	--	--	--	--	Reclassification from additional paid-in capital		
21	--	--	(972,738)	--	--	--	--	--	(972,738)	--	(972,738)	Additions during the year		
20	--	--	--	8,361,075	(8,361,075)	--	--	--	--	--	--	Appropriation during the year		
21	--	--	46,987	--	--	--	--	--	46,987	--	46,987	Differences between asset and liabilities of tax amnesty		
	--	--	--	--	--	--	--	--	--	365,666	365,666	Capital addition and fair value increase from non-controlling interest		
	--	--	--	--	--	--	--	--	--	(2,381)	(2,381)	Dividends		
	109,826,526	--	20,871,265	48,665,115	4,410,210	(6,933,307)	(4,226,261)	461,901	(6,287,457)	17,907	(6,269,550)	Total comprehensive income for the year		
	--	--	--	--	71,093,240	631,174,366	(13,201,656)	4,893,666	863,915,422	498,182	869,413,604	Balance as of December 31, 2017		

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/ AND SUBSIDIARIES**

LAPORAN ARUS KAS KONSOLIDASIAN
Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended
December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

	2017 Rp	2016 Rp	
ARUS KAS DARI			
AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	257,336,702	220,970,461	Cash receipts from customers
Pembayaran kas kepada pemasok	(207,558,346)	(200,943,180)	Cash paid to suppliers
Pembayaran kas kepada karyawan	(21,206,851)	(20,370,584)	Cash paid to employees
Kas diperoleh dari (digunakan untuk) aktivitas operasi	28,571,505	(343,303)	Cash provided by (used in) operations
Penerimaan subsidi listrik	50,595,348	49,568,244	Government subsidy received
Penerimaan bunga	1,066,842	578,507	Interest received
Pembayaran bunga	(17,894,129)	(18,285,840)	Interest expense paid
Penerimaan restitusi pajak penghasilan	725,365	--	Income tax restitution received
Pembayaran pajak penghasilan	(6,218,927)	(1,927,652)	Income tax paid
Pembayaran pengampunan pajak	(2,349)	(1,896)	Payment of tax amnesty
Kas bersih diperoleh dari aktivitas operasi	56,843,655	29,588,060	Net cash provided by operating activities
ARUS KAS DARI			CASH FLOWS FROM INVESTING ACTIVITIES
AKTIVITAS INVESTASI			INVESTING ACTIVITIES
Hasil penjualan aset tidak digunakan dalam operasi	45,983	27,705	Proceeds from sale of assets not used in operations
Akuisisi entitas anak	(521,447)	--	Acquisition of subsidiary
Perolehan aset tetap	(85,210,519)	(55,800,543)	Addition of property, plant and equipment
Perolehan dividen dari entitas asosiasi dan ventura bersama	241,505	207,875	Proceeds from dividend of associates and joint ventures
Perolehan investasi pada entitas asosiasi dan ventura bersama	(2,016,929)	(381,767)	Acquisition of investments in associates and joint ventures
Penerimaan kembali dari pinjaman kepada pihak berelasi	(1,507)	33,111	Receipt of payments from loans to related parties
Pembayaran kembali atas pinjaman kepada pihak berelasi - bersih	24,270	(265)	Repayments of loans from related parties - net
Penarikan (penempatan) rekening bank dan deposito berjangka dibatasi penggunaannya	245,332	1,368,632	Withdrawal (placement) of restricted cash in banks and time deposits
Penempatan investasi jangka pendek	85,077	(254,712)	Placement of short-term investments
Kas bersih digunakan untuk aktivitas investasi	(87,108,235)	(54,799,964)	Net cash used in investing activities
ARUS KAS DARI			CASH FLOWS FROM FINANCING ACTIVITIES
AKTIVITAS PENDANAAN			FINANCING ACTIVITIES
Perolehan penyertaan modal Pemerintah dalam proses penerbitan saham	--	23,560,000	Proceeds from Government for stock subscription in issuance process
Perolehan penyertaan modal kepentingan non-pengendali	18,333	--	Proceeds from non-controlling interest for stock subscription
Pembayaran dividen	(2,150,837)	(2,137,752)	Payment of dividends
Pembayaran dividen kepada kepentingan non-pengendali	(2,382)	(1,098)	Payment of dividends to non-controlling interest
Pembayaran penerusan pinjaman	(2,588,952)	(2,594,441)	Payment of two-step loans
Pembayaran utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank	(1,043,793)	(293,793)	Payment of Government and non-bank Government financial institution loans
Perolehan utang bank - jangka pendek	37,257,322	34,500,000	Proceeds from bank loans - short-term
Perolehan utang bank - jangka panjang	28,713,548	36,341,659	Proceeds from bank loans - long-term
Pembayaran utang bank - jangka pendek	(37,800,000)	(21,000,000)	Payment of bank loans - short-term
Pembayaran utang bank - jangka panjang	(12,901,106)	(11,629,553)	Payment of bank loans - long-term
Perolehan utang obligasi	31,836,000	--	Proceeds from bonds payable
Pembayaran utang obligasi	(9,509,500)	(9,122,350)	Payment of bonds payable
Perolehan utang KIK-EBA	3,688,000	--	Proceeds from KIK-EBA
Pembayaran utang KIK-EBA	(149,414)	--	Payment of KIK-EBA
Pembayaran utang sewa pembiayaan	(4,429,331)	(3,705,740)	Payments of lease liabilities
Pembayaran utang listrik swasta	(328,199)	(321,879)	Payments of electricity purchase payable
Kas bersih diperoleh dari aktivitas pendanaan	30,609,689	43,595,053	Net cash provided by financing activities
KENAIKAN BERSIH KAS DAN SETARA KAS	345,109	18,383,149	NET INCREASE IN CASH AND CASH EQUIVALENTS
Pengaruh perubahan kurs mata uang asing	37,627	(70,265)	Effect of changes in foreign currency
KAS DAN SETARA KAS AWAL TAHUN	41,909,223	23,596,339	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR
KAS DAN SETARA KAS AKHIR TAHUN	42,291,959	41,909,223	CASH AND CASH EQUIVALENTS AT END OF THE YEAR

Tambahan informasi transaksi non kas disajikan di catatan 50.

Additional information of non cash transaction of presented in note 50.

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

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**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

For the Years Ended
December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

1. Umum

a. Pendirian dan Informasi Umum

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" atau "Perusahaan") didirikan pada tahun 1961 dalam bentuk Jawatan di dalam lingkungan Kementerian Pekerjaan Umum dan Tenaga. Perusahaan merupakan kelanjutan usaha beberapa perusahaan listrik Belanda yang diambil alih oleh Pemerintah Republik Indonesia ("Pemerintah"). Perusahaan listrik Belanda tersebut meliputi: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM dan NV WEMI. Berdasarkan Peraturan Pemerintah No. 19 tahun 1965, status Perusahaan berubah menjadi perusahaan yang berbadan hukum. Selanjutnya ditetapkan menjadi Perusahaan Umum (Perum) berdasarkan Peraturan Pemerintah No. 30 tahun 1970 yang dipertegas dengan Peraturan Pemerintah No. 18 tahun 1972. Kemudian berdasarkan akta No. 169 tanggal 30 Juli 1994 dari Sutjipto, S.H., notaris di Jakarta, status badan hukum Perusahaan berubah menjadi Perseroan Terbatas dengan nama Perusahaan Perseroan PT Perusahaan Listrik Negara disingkat PT PLN (Persero). Akta perubahan ini disahkan dengan Keputusan Menteri Kehakiman No. C2-11.519.HT.01.01.Th.94 tanggal 1 Agustus 1994, serta diumumkan dalam Berita Negara Republik Indonesia No. 73 tanggal 13 September 1994, Tambahan No.6731.

Anggaran dasar Perusahaan terakhir diubah berdasarkan akta notaris No. 39 tanggal 30 Mei 2017 dari Lenny Janis Ishak, S.H., notaris di Jakarta.

Perusahaan berdomisili di Jakarta dan memiliki 56 unit pelaksana yang tersebar di wilayah Indonesia. Kantor Pusat Perusahaan beralamat di Jl. Trunojoyo Blok M I No. 135, Jakarta.

1. General

a. Establishment and General Information

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" or "the Company") was established in 1961 as a unit of the Ministry of Energy and Public Works. The Company is a business continuation of several Dutch electricity companies which have been taken over by the Government of the Republic of Indonesia ("the Government"). The Dutch electricity companies include among others: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM and NV WEMI. Based on Government Regulation No. 19 year 1965, the Company's status was changed to a legal entity. Subsequently, based on Government Regulation No. 30 year 1970, as amended by Government Regulation No. 18 year 1972, the Company became a Perusahaan Umum (Perum). Based on the notarial deed of Sutjipto, S.H., notary in Jakarta, No. 169 dated July 30, 1994, the Company's status was changed to Limited Liability Company and it was named Perusahaan Perseroan PT Perusahaan Listrik Negara or PT PLN (Persero). This change was approved by the Minister of Justice in his decision letter No. C2-11.519.HT.01.01.Th.94 dated August 1, 1994 and was published in State Gazette of the Republic of Indonesia No. 73 dated September 13, 1994, Supplement No.6731.

The articles of association of the Company were recently amended by notarial deed No. 39 dated May 30, 2017 of Lenny Janis Ishak, S.H., notary in Jakarta.

The Company is domiciled in Jakarta, with 56 business unit offices spread all over Indonesia. The Company's Head Office is located at Jl. Trunojoyo Blok M I No. 135, Jakarta.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
(Lanjutan)**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
(Continued)**

For the Years Ended
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Sesuai dengan pasal 3 anggaran dasar Perusahaan, maksud dan tujuan Perusahaan adalah untuk menyelenggarakan usaha penyediaan tenaga listrik bagi kepentingan umum dalam jumlah dan mutu yang memadai serta memupuk keuntungan dan melaksanakan penugasan Pemerintah di bidang ketenagalistrikan dalam rangka menunjang pembangunan dengan menerapkan prinsip-prinsip Perseroan Terbatas.

Sesuai dengan Undang-Undang No. 19 tahun 2003 tentang "Badan Usaha Milik Negara ("BUMN")", Pemerintah wajib memberikan kompensasi atas semua biaya yang telah dikeluarkan oleh BUMN termasuk margin yang diharapkan kepada BUMN yang diberikan penugasan khusus. Perusahaan merupakan BUMN yang sedang melaksanakan penugasan khusus berupa penyediaan tenaga listrik bersubsidi kepada masyarakat (Catatan 37).

Pada tanggal 31 Desember 2017 dan 2016, jumlah karyawan Perusahaan dan entitas anak masing-masing 54.820 karyawan (tidak diaudit) dan 51.158 karyawan (tidak diaudit). Jumlah karyawan tidak termasuk karyawan dari PT Haleyora Powerindo yang bergerak dibidang jasa tenaga kerja. PT Haleyora Powerindo adalah entitas anak dari PT Haleyora Power, entitas anak Perusahaan.

b. Penawaran Umum Efek Utang Perusahaan

Perusahaan telah beberapa kali menerbitkan Obligasi dan Surat Utang PLN, sebagai berikut:

In accordance with article 3 of the Company's articles of association, the scope of its activities is to run an electricity business for public use, which must be satisfactory both in quantity and quality and also to earn profit and perform Government's assignment in electricity business in order to support the development with the application of the principles of Limited Liability Companies.

Based on Law No. 19 year 2003, regarding "State-Owned Enterprises ("BUMN")", the Government is obliged to provide compensation to these BUMN, which were appointed to perform special assignments, for all expenses which they have incurred, including expected return (margin). The Company is a BUMN, which performs a special assignment of providing subsidized electricity to the public (Note 37).

As of December 31, 2017 and 2016 the Company and its subsidiaries had a total number of employees of 54,820 (unaudited) and 51,158 (unaudited), respectively. The total employees do not include employees of PT Haleyora Powerindo whose nature of business is manpower services. PT Haleyora Powerindo is a subsidiary of PT Haleyora Power, the Company's subsidiary.

b. The Company's Public Offering of Bonds

The Company has issued several PLN Bonds and Notes, as follows:

	Tanggal efektif/ Effective date	Bursa pencatatan/ Listed in*)	Tanggal pencatatan/ Listed date	Jumlah yang ditawarkan/ Offered amount Rp	
Obligasi Rupiah					Rupiah Bonds
Obligasi Berkelanjutan II PLN Tahap II Tahun 2017	21 Juni 2017/ June 21, 2017	Bursa Efek Indonesia/ Indonesia Stock Exchange	2 November 2017/ November 2, 2017	2,545,500	Sustainable Bonds II PLN Phase II Year 2017
Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2017	21 Juni 2017/ June 21, 2017	Bursa Efek Indonesia/ Indonesia Stock Exchange	2 November 2017/ November 2, 2017	694,500	Sustainable Sukuk Ijara II PLN Phase II Year 2017
Obligasi Berkelanjutan II PLN Tahap I Tahun 2017	21 Juni 2017/ June 21, 2017	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 Juli 2017/ July 12, 2017	1,600,000	Sustainable Bonds II PLN Phase I Year 2017
Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017	21 Juni 2017/ June 21, 2017	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 Juli 2017/ July 12, 2017	400,000	Sustainable Sukuk Ijara II PLN Phase I Year 2017

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Obligasi Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia Stock Exchange	11 Desember 2013/ December 11, 2013	1,244,000	Sustainable Bonds I PLN Phase II Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia Stock Exchange	11 Desember 2013/ December 11, 2013	429,000	Sustainable Sukuk Ijarah I PLN Phase II Year 2013
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia Stock Exchange	8 Juli 2013/ July 8, 2013	879,000	Sustainable Bonds I PLN Phase I Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia Stock Exchange	8 Juli 2013/ July 8, 2013	121,000	Sustainable Sukuk Ijarah I PLN Phase I Year 2013
Obligasi PLN XII Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia Stock Exchange	9 Juli 2010/ July 9, 2010	2,500,000	PLN XII Bonds Year 2010
Sukuk Ijarah PLN V Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia Stock Exchange	9 Juli 2010/ July 9, 2010	500,000	Sukuk Ijarah V PLN Year 2010
Obligasi PLN XI Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia Stock Exchange	13 Januari 2010/ January 13, 2010	2,703,000	PLN XI Bonds Year 2010
Sukuk Ijarah PLN IV Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia Stock Exchange	13 Januari 2010/ January 13, 2010	297,000	Sukuk Ijarah IV PLN Year 2010
Obligasi PLN X Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 Januari 2009/ January 12, 2009	1,440,000	PLN X Bonds Year 2009
Sukuk Ijarah PLN III Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 Januari 2009/ January 12, 2009	760,000	Sukuk Ijarah III PLN Year 2009
Obligasi PLN IX Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Indonesia/ Indonesia Stock Exchange	11 Juli 2007/ July 11, 2007	2,700,000	PLN IX Bonds Year 2007
Sukuk Ijarah PLN II Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Indonesia/ Indonesia Stock Exchange	11 Juli 2007/ July 11, 2007	300,000	Sukuk Ijarah II PLN Year 2007
Obligasi PLN VIII Tahun 2006	12 Juni 2006/ June 12, 2006	Bursa Efek Indonesia/ Indonesia Stock Exchange	22 Juni 2006/ June 22, 2006	2,200,100	PLN VIII Bonds Year 2006
Sukuk Ijarah PLN I Tahun 2006	12 Juni 2006/ June 12, 2006	Bursa Efek Indonesia/ Indonesia Stock Exchange	22 Juni 2006/ June 22, 2006	200,000	Sukuk Ijarah I PLN Year 2006
Obligasi PLN VII Tahun 2004	3 November 2004/ November 3, 2004	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 November 2004/ November 12, 2004	1,500,000	PLN VII Bonds Year 2004
Obligasi PLN VI Tahun 1997	27 Juni 1997/ June 27, 1997	Bursa Efek Indonesia/ Indonesia Stock Exchange	12 Agustus 1997/ August 12, 1997	600,000	PLN VI Bonds Year 1997
Obligasi PLN V Tahun 1996	28 Juni 1996/ June 28, 1996	Bursa Efek Indonesia/ Indonesia Stock Exchange	28 Agustus 1996/ August 28, 1996	1,000,000	PLN V Bonds Year 1996
Obligasi PLN IV Tahun 1995	30 Juni 1995/ June 30, 1995	Bursa Efek Indonesia/ Indonesia Stock Exchange	4 September 1995/ September 4, 1995	680,000	PLN IV Bonds Year 1995
Obligasi PLN III Tahun 1995	30 Januari 1995/ January 30, 1995	Bursa Efek Indonesia/ Indonesia Stock Exchange	18 April 1995/ April 18, 1995	318,430	PLN III Bonds Year 1995
Obligasi PLN II Tahun 1993	28 September 1993/ September 28, 1993	Bursa Efek Indonesia/ Indonesia Stock Exchange	8 November 1993/ November 8, 1993	600,000	PLN II Bonds Year 1993
Obligasi PLN I Tahun 1992	25 September 1992/ September 25, 1992	Bursa Efek Indonesia/ Indonesia Stock Exchange	10 November 1992/ November 10, 1992	300,000	PLN I Bonds Year 1992
Jumlah				26,511,530	Total

*) Pada tanggal 22 Juli 1995 Bursa Paralel Indonesia diakuisisi oleh Bursa Efek Surabaya.

Pada tanggal 30 Oktober 2007 Bursa Efek Surabaya melakukan merger dengan melebur ke dalam Bursa Efek Jakarta yang selanjutnya berganti nama menjadi Bursa Efek Indonesia.

*) On July 22, 1995 Indonesia Parallel Exchange was acquired by Surabaya Stock Exchange.

On October 30, 2007 Surabaya Stock Exchange was officially merged to Jakarta Stock Exchange, which then changed its name to Indonesia Stock Exchange.

	Tanggal Efektif/ Effective Date	Bursa Pencatatan/ Listed In	Tanggal Pencatatan/ Listed date	Jumlah Yang Ditawarkan/ Offered Amount *) Rp	
Surat Utang Jangka Menengah Global					Global Medium Term Notes
Penerbitan tahun 2017	15 Mei 2017/ May 15, 2017	Bursa Efek Singapura/ Singapore Stock Exchange	16 Mei 2017/ May 16, 2017	2,000,000,000	Issued in 2017
Penerbitan tahun 2012	24 Oktober 2012/ October 24, 2012	Bursa Efek Singapura/ Singapore Stock Exchange	25 Oktober 2012/ October 25, 2012	1,000,000,000	Issued in 2012
Penerbitan tahun 2011	22 November 2011/ November 22, 2011	Bursa Efek Singapura/ Singapore Stock Exchange	23 November 2011/ November 23, 2011	1,000,000,000	Issued in 2011
Jumlah				4,000,000,000	Total

*) Dalam jumlah penuh/ In full amount

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Majapahit Holding B.V., Belanda, entitas anak yang bertujuan khusus yang sepenuhnya milik Perusahaan, menerbitkan Obligasi Terjamin, sebagai berikut:

Majapahit Holding B.V., Netherlands, a wholly-owned special-purpose subsidiary of the Company, issued Guaranteed Notes, as follows:

	<u>Tanggal Efektif/ Effective Date</u>	<u>Bursa Pencatatan/ Listed In</u>	<u>Tanggal Pencatatan/ Listed date</u>	<u>Jumlah Yang Ditawarkan/ Offered Amount *) Rp</u>	
Obligasi Terjamin Penerbitan 2009	6 November 2009/ November 6, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	9 November 2009/ November 9, 2009	1,250,000,000	Guaranteed notes Issued in 2009
Penerbitan 2009	7 Agustus 2009/ August 7, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	11 Agustus 2009/ August 11, 2009	750,000,000	Issued in 2009
Penerbitan 2007	28 Juni 2007/ June 28, 2007	Bursa Efek Singapura/ Singapore Stock Exchange	29 Juni 2007/ June 29, 2007	1,000,000,000	Issued in 2007
Penerbitan 2006	16 Oktober 2006/ October 16, 2006	Bursa Efek Singapura/ Singapore Stock Exchange	17 Oktober 2006/ October 17, 2006	1,000,000,000	Issued in 2006
Jumlah				4,000,000,000	Total

*) Dalam jumlah penuh/ In full amount

c. Susunan Pengurus dan Informasi Lain
Pada tanggal 31 Desember 2017 dan 2016, susunan pengurus Perusahaan adalah sebagai berikut:

c. Management and Other Information
As of December 31, 2017 and 2016, the Company's management consists of the following:

	<u>2017</u>	<u>2016</u>	<u>Board of Commissioners</u>
Dewan Komisaris			
PLT Komisaris utama	Hasan Bisri	Hasan Bisri	Task Executor President Commissioner
Komisaris	Harry Susetyo Nugroho Budiman Aloysius Kiik Ro Rionald Silaban Andy Noorsaman Sommeng Ilya Avianti	Harry Susetyo Nugroho Jarman Hasan Bisri Budiman Aloysius Kiik Ro -	Commissioners
Komisaris Independen	Oegroseno Darmono	Oegroseno Darmono	Independent Commissioners
Tugas dan wewenang			Duties and authority
Direktur Utama/ President Director	Sofyan Basir	Sofyan Basir	Direktur Utama/ President Director
Direktur/Director	Sarwono Sudarto	Sarwono Sudarto	Keuangan/Finance
Direktur/Director	Syofvi Felienty Roekman	Nicke Widayati	Perencanaan Korporat/ Corporate Planning
Direktur/Director	Muhamad Ali	Muhamad Ali	Human Capital Management/ Human Capital Management
Direktur/Director	-	Supangkat Iwan Santoso	Pengadaan/ Procurement
Direktur/Director	Sofyan Basir	-	Pelaksana Tugas Pengadaan Strategis 1/ Acting Director of Strategic Procurement 1
Direktur/Director	Supangkat Iwan Santoso	-	Pengadaan Strategis 2/ Strategic Procurement 2
Direktur/Director	Haryanto W.S	Murtaqi Syamsuddin	Bisnis Regional Jawa Bagian Barat/ Regional Business of Jawa Bagian Barat
Direktur/Director	Amir Rosidin	Nasri Sebayang	Bisnis Regional Jawa Bagian Tengah/ Regional Business of Jawa Bagian Tengah
Direktur/Director	-	Amin Subekti	Bisnis Regional Jawa Bagian Timur dan Bali/ Regional Business of Jawa Bagian Timur dan Bali
Direktur/Director	Djoko Rahardjo Abumanan	-	Bisnis Regional Jawa Bagian Timur, Bali, Nusa Tenggara/ Regional Business of Jawa Bagian Timur, Bali, Nusa Tenggara
Direktur/Director	Wiluyo Kusdiharto	Amir Rosidin	Bisnis Regional Sumatera/ Regional Business of Sumatera
Direktur/Director	Machnizon	Djoko Rahardjo Abumanan	Bisnis Regional Kalimantan/ Regional Business of Kalimantan
Direktur/Director	-	Machnizon	Bisnis Regional Sulawesi dan Nusa Tenggara/ Regional Business of Sulawesi dan Nusa Tenggara
Direktur/Director	Syamsul Huda	-	Bisnis Regional Sulawesi/ Regional Business of Sulawesi
Direktur/Director	Ahmad Rofik	Haryanto W.S.	Bisnis Regional Maluku dan Papua/ Regional Business of Maluku and Papua

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	2017	2016	
<u>Komite Audit</u>			<u>Audit Committee</u>
Ketua	Darmono	Darmono	Chairman
Anggota	Rionald Silaban Iya Avianti Achmad Wahyudi Krisna Simbaputra	Hasan Bisri Sugeng Rochadi Achmad Wahyudi --	Members
<u>Sekretaris Perusahaan</u>			<u>Corporate Secretary</u>
Sekretaris Perusahaan	Bambang Dwiyanto	Bambang Dwiyanto	Corporate Secretary

Berdasarkan Surat Keputusan ("SK") Menteri BUMN Republik Indonesia No. SK-211/MBU/10/2014 tanggal 16 Oktober 2014, Oegroseno dan Darmono diangkat sebagai Komisaris Independen.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-211/MBU/10/2014 dated October 16, 2014, Oegroseno and Darmono were appointed as Independent Commissioners.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-272/MBU/12/2014 tanggal 23 Desember 2014, Sofyan Basir diangkat sebagai Direktur Utama Perusahaan dan Sarwono Sudarto, Nasri Sebayang, Supangkat Iwan Santoso, Amir Rosidin, Nicke Widyawati dan Amin Subekti diangkat sebagai Direktur Perusahaan.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-272/MBU/12/2014 dated December 23, 2014, Sofyan Basir was appointed as the Company's President Director and Sarwono Sudarto, Nasri Sebayang, Supangkat Iwan Santoso, Amir Rosidin, Nicke Widyawati and Amin Subekti were appointed as the Company's Directors.

Berdasarkan SK Menteri BUMN Republik Indonesia No. KEP-273/MBU/12/2014 tanggal 23 Desember 2014 Hasan Bisri diangkat sebagai Komisaris.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. KEP-273/MBU/12/2014 dated December 23, 2014, Hasan Bisri was appointed as Commissioner.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-183/MBU/09/2015 tanggal 25 September 2015, Aloysius Kiik Ro diangkat sebagai Komisaris.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-183/MBU/09/2015 dated September 25, 2015, Aloysius Kiik Ro was appointed as Commissioner.

Berdasarkan SK Komisaris Perusahaan No. 198/SK/DK-PLN/2015 tanggal 16 Oktober 2015, pengangkatan Komite Audit Perusahaan yang terdiri dari Darmono sebagai Ketua Komite Audit, beserta Anggota Komite Audit yang terdiri dari Hasan Bisri, Sugeng Rochadi, Andin Hadiyanto dan Aidil Yuzar. Di tahun 2016, Andin Hadiyanto telah habis masa jabatannya, sedangkan Aidil Yuzar digantikan oleh Achmad Wahyudi berdasarkan SK Komisaris Perusahaan No. 19/SK/DK-PLN/2016 tanggal 28 Juli 2016. Berdasarkan SK Komisaris Perusahaan No. 29/SK/DK-PLN/2015 tanggal 27 Agustus 2015, Joseph Suardi Sabda diangkat sebagai anggota Komite

Based on Decision Letter of the Company's Board of Commissioners No. 198/SK/DK-PLN/2015 dated October 16, 2015, the appointment of the Company's Audit Committee consist of Darmono as the Chairman, and members of the Audit Committee consist of Hasan Bisri, Sugeng Rochadi, Andin Hadiyanto and Aidil Yuzar. In 2016, Andin Hadiyanto ended his term, while Aidil Yuzar was replaced by Achmad Wahyudi based on the Company's Board of Commissioners SK No. 19/SK/DK-PLN/2016 dated July 28, 2016. Based on Decision Letter of the Company's Board of Commissioners No. 29/SK/DP-PLN/2015 dated August 27, 2015, Joseph Suardi Sabda was appointed as part time Audit

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Audit Non Komisaris dengan status paruh waktu dan masa jabatannya habis pada tanggal 1 September 2016.

Committee Non Commissioner and his term ended on September 1, 2016.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-211/MBU/10/2015 tanggal 30 Oktober 2015, Muhamad Ali, Djoko Rahardjo Abumanan, Machnizon dan Haryanto W.S diangkat sebagai Direktur Perusahaan.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-211/MBU/10/2015 dated October 30, 2015, Muhamad Ali, Djoko Rahardjo Abumanan, Machnizon and Haryanto W.S were appointed as the Company's Directors.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-223/MBU/11/2015 tanggal 10 November 2015, Kuntoro Mangkusubroto diangkat sebagai Komisaris Utama dan Jarman diangkat sebagai Komisaris.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-223/MBU/11/2015 dated November 10, 2015, Kuntoro Mangkusubroto was appointed as President Commissioner and Jarman was appointed as Commissioner.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-106/MBU/05/2016 tanggal 24 Mei 2016, Hasan Bisri diangkat sebagai Pelaksana Tugas ("PLT") Komisaris Utama menggantikan Kuntoro Mangkusubroto.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-106/MBU/05/2016 dated May 24, 2016, Hasan Bisri was appointed as Task Executor ("TE") of President Commissioner to replace Kuntoro Mangkusubroto.

Berdasarkan Keputusan Direksi No.3210.K/SDM.00.03/DIR/2016 tanggal 30 Desember 2016, Bambang Dwiyanto diangkat sebagai Sekretaris Perusahaan.

Based on the Decree of the Board of Directors No. 3210.K/SDM.00.03/DIR/2016 dated December 30, 2016, Bambang Dwiyanto was appointed as Corporate Secretary.

Pada tanggal 28 Februari 2017, Rionald Silaban diangkat sebagai Komisaris berdasarkan SK Menteri BUMN Republik Indonesia No. SK-41/MBU/02/2017 kemudian pada tanggal 7 Maret 2017, Rionald Silaban diangkat sebagai Komite Audit berdasarkan SK Komisaris Perusahaan No. 01/SK/DK-PLN/2017.

On February 28, 2017, Rionald Silaban was appointed as Commissioner based on Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-41/MBU/02/2017 later on March 7, 2017, Rionald Silaban was appointed as Audit Committee based on Decision Letter of Commissioner No. 01/SK/DK-PLN/2017.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-128/MBU/07/2017 tanggal 12 Juli 2017, Andy Noorsaman Sommeng diangkat sebagai Komisaris dan memberhentikan dengan hormat Jarman sebagai Komisaris.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-128/MBU/07/2017 dated July 12, 2017, Andy Noorsaman Sommeng was appointed as Commissioner and Jarman was discharged as Commissioner.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-138/MBU/07/2017 tanggal 24 Juli 2017, Murtaqi Syamsuddin, Nasri Sebayang dan Amin Subekti diberhentikan dengan hormat sebagai

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-138/MBU/07/2017 dated July 24, 2017, Murtaqi Syamsuddin, Nasri Sebayang and Amin Subekti were

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Direktur Perusahaan dan Syofvi Felienty Roekman, Syamsul Huda, Ahmad Rofik dan Wiluyo Kusdwiarto diangkat sebagai Direktur Perusahaan serta perubahan penugasan anggota-anggota direksi Perusahaan.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-145/MBU/07/2017 tanggal 28 Juli 2017, Ilya Avianti diangkat sebagai Komisaris kemudian pada tanggal 8 Agustus 2017, Ilya Avianti diangkat sebagai Komite Audit berdasarkan SK Komisaris Perusahaan No. 8/SK/DK-PLN/2017.

Pada tanggal 8 Agustus 2017, Gunawan Sidauruk diangkat sebagai Komite Audit menggantikan Sugeng Rochadi berdasarkan SK Komisaris Perusahaan No. 9/SK/DK-PLN/2017.

Kemudian pada tanggal 20 Oktober 2017, Gunawan Sidauruk diberhentikan dengan hormat sebagai anggota komite audit sehubungan dengan wafatnya beliau pada tanggal 18 Oktober 2017.

Berdasarkan SK Komisaris Perusahaan No.16/SK/DK-PLN/2017 tanggal 20 September 2017, Krisna Simbaputra diangkat sebagai anggota komite Audit.

Pada tanggal 27 November 2017, Nicke Widyawati diberhentikan sebagai Direktur Pengadaan Strategis 1 berdasarkan SK Menteri BUMN Republik Indonesia No. SK-257/MBU/11/2017, dimana sebelumnya berdasarkan SK Menteri BUMN Republik Indonesia No. SK-138/MBU/07/2017 tanggal 24 Juli 2017 saudari Nicke Widyawati dialih tugaskan yang semula Direktur Perencanaan Korporat menjadi Direktur Pengadaan Strategis 1.

Berdasarkan Keputusan Direksi No. 108/DIR/2017, Sofyan Basir ditunjuk sebagai pelaksana tugas direktur pengadaan strategis 1.

discharged as the Company's Director and Syofvi Felienty Roekman, Syamsul Huda, Ahmad Rofik and Wiluyo Kusdwiarto were appointed as the Company's Director, and changes of the nomenclature the Company's Directors.

Based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-145/MBU/07/2017 dated July 28, 2017, Ilya Avianti was appointed as Commissioner later on August 8, 2017, Ilya Avianti was appointed as Audit Committee based on Decisison Letter of Commissioner No. 8/SK/DK-PLN/2017.

On August 8, 2017, Gunawan Sidauruk was appointed as Audit Committee based on Decisison Letter of Commissioner No. 9/SK/DK-PLN/2017 to replace Sugeng Rochadi.

Later on, on October 20, 2017, Gunawan Sidauruk has been discharge as member of audit committee in relation to his passing on October 18, 2017.

Based on Decision Letter of the Company's Board of Commissioners No. 16/SK/DK-PLN/2017 dated September 20, 2017, Krisna Simbaputra was appointed as a member of the Audit Committee.

On November 27, 2017, Nicke Widyawati was discharged as Director of Strategic Procurement 1 based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-257/MBU/11/2017, where based on the Decision Letter of the Minister of BUMN of the Republic of Indonesia No. SK-138/MBU/07/2017 dated July 24, 2017 Nicke Widyawati was appointed as Director of Strategic Procurement 1 to replace her role as Corporate Planning Director.

Based on Directors Decision No. 108/DIR/2017, Sofyan Basir appointed as acting director of strategic procurement 1.

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**2. Penerapan Prinsip Akuntansi yang Berlaku
Umum di Indonesia ("PABU")**

**a. Penerapan Peraturan Otoritas Jasa
Keuangan No.6/POJK.04/2017 tentang
Perlakuan Akuntansi atas Transaksi
Berdasarkan Perjanjian Jual Beli Tenaga
Listrik ("POJK No.6")**

Perusahaan dan entitas anak mengadakan perjanjian jual beli tenaga listrik, yakni Perjanjian Jual Beli Tenaga Listrik ("PPA") dan Kontrak Penjualan Energi ("ESC"), dengan penyedia dan Pengembang Tenaga Listrik Swasta ("IPP"). IPP tersebut merupakan pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum, yang dapat diserahkan kepada entitas usaha lain dengan tanggung jawab untuk menghasilkan tenaga listrik guna kepentingan umum.

Sebelum 1 Januari 2016, Perusahaan dan entitas anak menerapkan ISAK 8: Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa ("ISAK 8") dalam mengevaluasi apakah PPA dan ESC dengan IPP mengandung unsur sewa (Catatan 3.1).

Pada tanggal 1 Maret 2017, Otoritas Jasa Keuangan ("OJK") menerbitkan POJK No.6 yang berlaku bagi Emiten dan Perusahaan Publik. Berdasarkan POJK No.6, transaksi berdasarkan perjanjian jual beli tenaga listrik diperlakukan sebagai transaksi jual beli, meskipun perjanjian jual beli tenaga listrik tersebut mengandung substansi selain jual beli. POJK No.6 berlaku secara prospektif untuk periode tahun buku yang dimulai sejak 1 Januari 2017 dan mengizinkan perlakuan lebih awal sejak 1 Januari 2016. POJK No.6 berlaku sampai akhir periode tahun buku berakhirnya penugasan untuk percepatan pembangunan infrastruktur ketenagalistrikan berdasarkan Peraturan Presiden.

Perusahaan memutuskan untuk menerapkan lebih awal POJK No.6 secara prospektif sejak 1 Januari 2016. Oleh karena itu transaksi berdasarkan perjanjian jual beli tenaga listrik yang mengandung sewa (Catatan 3.1), mulai 1 Januari 2016 disajikan

**2. Implementation of Indonesian Generally
Accepted Accounting Principles ("GAAP")**

**a. Implementation of Financial Services
Authority Regulation No.6/POJK.04/2017
regarding Accounting Treatment for
Transactions Based on Power Purchase
Agreements ("POJK No.6")**

The Company and its subsidiaries entered into power purchase agreements namely Power Purchase Agreements ("PPA") and Energy Sales Contracts ("ESC"), with Independent Power Producers ("IPPs"). Those IPPs are holders of Electricity Business License for public use, which may be granted to other business entities with responsibility to generate electricity for public use.

Before January 1, 2016, the Company and its subsidiaries applied ISFAS 8: Determining Whether an Arrangement Contain a Lease ("ISFAS 8") in evaluating whether PPAs and ESCs with IPPs contain a lease (Note 3.1).

On March 1, 2017, Financial Services Authority ("FSA") issued POJK No.6 which is applicable for listed and public companies. Based on POJK No.6, transactions based on a power purchase agreement are treated as sale and purchase transactions, even though the power purchase agreements contain substances other than of a sale and purchase. POJK No.6 applies prospectively for the year beginning on January 1, 2017 and early implementation is allowed for the year beginning on January 1, 2016. POJK No.6 is valid until the end of the assignment on acceleration of electricity infrastructures development in accordance with Presidential Regulation.

The Company decided to early implement POJK No.6 prospectively beginning on January 1, 2016. Therefore, the electricity sale and purchase transactions based on power purchase agreement which contains a lease (Note 3.1), since January 1, 2016 are presented as purchased electricity in

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sebagai pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain pada periode terjadinya. Pada tanggal 1 Januari 2016 Perusahaan dan entitas anak telah melakukan penyesuaian atas aset dan liabilitas terkait.

the statement of profit or loss and other comprehensive income when incurred. On January 1, 2016, the Company and its subsidiaries have adjusted the related assets and liabilities.

Jumlah bersih penyesuaian atas aset dan liabilitas terkait sebesar Rp43.428.454 telah dicatat sebagai penyesuaian saldo laba pada tanggal 1 Januari 2016, dengan rincian sebagai berikut:

The net adjustments on related assets and liabilities amounting to Rp43,428,454 are recorded as adjustment to retained earnings on January 1, 2016, the details of which are as follows:

	1 Januari sebelum penyesuaian/ January 1, Before adjustment 2016 Rp	Penyesuaian saldo awal/ Beginning balance adjustment Rp	1 Januari setelah penyesuaian/ January 1, after adjustment 2016 Rp	
Aset tetap	1,187,879,590	(72,227,600)	1,115,651,990	Property, plant and equipment
Aset pajak tangguhan	29,088,271	(14,787,769)	14,300,502	Deferred tax assets
	<u>1,216,967,861</u>	<u>(87,015,369)</u>	<u>1,129,952,492</u>	
Liabilitas jangka panjang				Non-current liabilities
Utang listrik swasta	7,093,280	755,783	7,849,063	Electricity purchase payable
Utang sewa pembiayaan	149,621,763	(128,065,144)	21,556,619	Lease Liabilities
Liabilitas jangka pendek				Current liabilities
Utang sewa pembiayaan	6,759,138	(3,313,534)	3,445,604	Lease liabilities
Biaya masih harus dibayar	10,627,055	(2,216,084)	8,410,971	Accrued expenses
Utang listrik swasta	311,196	9,968	321,164	Electricity purchase payable
Utang usaha				Trade payables
Pihak berelasi	8,910,438	380,409	9,290,847	Related parties
Pihak ketiga	17,715,563	1,998,142	19,713,705	Third parties
Utang lain-lain	20,188,608	6,637	20,195,245	Other payables
	<u>221,227,041</u>	<u>(130,443,823)</u>	<u>90,783,218</u>	
Dampak penerapan POJK No.6 terhadap saldo laba awal		<u><u>43,428,454</u></u>		The effect of POJK No.6 application on beginning retained earnings

Entitas anak yang memiliki transaksi berdasarkan perjanjian jual beli tenaga listrik, yaitu PT Pelayanan Listrik Nasional Batam ("PLN Batam") dan PT Indonesia Power ("IP"), bukan merupakan emiten atau perusahaan publik sehingga POJK No.6 tidak diterapkan oleh entitas anak tersebut.

The subsidiaries that have transactions based on power purchase agreement, namely PT Pelayanan Listrik Nasional Batam ("PLN Batam") and PT Indonesia Power ("IP"), who are not listed or public companies, therefore POJK No.6 is not applied for those subsidiaries.

Untuk tujuan konsolidasi, laporan keuangan PLN Batam dan IP disesuaikan agar kebijakan akuntansi untuk transaksi berdasarkan perjanjian jual beli tenaga listrik sesuai dengan POJK No.6.

For consolidation purposes, adjustments are made on the financial statements of PLN Batam and IP to bring their accounting policy for transactions based on power purchase agreement in accordance with POJK No.6.

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**b. Penerapan Standar Akuntansi Keuangan
("PSAK") Baru dan Revisi, serta
Interpretasi Standar Akuntansi
Keuangan ("ISAK") yang berlaku efektif
untuk tahun buku yang dimulai pada
atau setelah tanggal 1 Januari 2017**

Pengesahan amandemen dan penyesuaian atas PSAK dan ISAK yang telah diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK-IAI"), berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2017, adalah sebagai berikut:

- PSAK 1 (Amandemen): Penyajian Laporan Keuangan, tentang petunjuk untuk materialitas dan penggabungan, penyajian sub total, struktur dari laporan keuangan dan pengungkapan kebijakan akuntansi.
- PSAK 3 (Amandemen): Laporan Keuangan Interim, tentang klarifikasi apa yang dimaksud dengan acuan dalam standar terhadap informasi yang diungkapkan di tempat lain di laporan keuangan interim.
- PSAK 24 (Amandemen): Imbalan Kerja, tentang klarifikasi penentuan tingkat diskon untuk imbalan pascakerja, bahwa mata uang yang mendenominasi kewajiban tersebut yang menentukan, bukan negara dimana kewajiban tersebut timbul.
- PSAK 58 (Amandemen): Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan, tentang klarifikasi bahwa ketika sebuah aset (atau kelompok lepasan) direklasifikasi dari dimiliki untuk dijual ke dimiliki untuk didistribusikan, atau sebaliknya, tidak merupakan perubahan rencana untuk menjual atau mendistribusikan, dan tidak perlu dicatat seperti tersebut.
- PSAK 60 (Amandemen): Instrumen Keuangan: Pengungkapan, tentang apa yang dimaksud dengan keterlibatan berkelanjutan dalam konteks ini.
- ISAK 31: Interpretasi atas Ruang Lingkup PSAK No. 13 Properti Investasi.
- ISAK 32: Definisi dan Hierarki Standar Akuntansi Keuangan.

**b. New and Revised Statements of
Financial Accounting Standard ("SFAS")
and Interpretations of Financial
Accounting Standard ("ISFAS") effective
for the year beginning on or after
January 1, 2017**

Ratification of amendments and improvements of SFAS and ISFAS issued by the Financial Accounting Standard Board of the Indonesian Institute of Accounting ("DSAK-IAI"), effective for the year beginning on or after January 1, 2017, are as follows:

- *SFAS 1 (Amendment): Presentation of Financial Statements regarding the guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.*
- *SFAS 3 (Amendment): Interim Financial Statements, regarding clarification on the reference in the standard to information disclosed elsewhere in the interim financial report.*
- *SFAS 24 (Amendment): Employee Benefits, regarding clarification on when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.*
- *SFAS 58 (Amendment): Non-current Assets Held for Sale and Discontinued Operations, regarding clarification on when an asset (or disposal group) is reclassified from 'held-for-sale' to 'held-for-distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and it does not have to be accounted for as such.*
- *SFAS 60 (Amendment): Financial Instruments: Disclosure, regarding guidance on what is meant by continuing involvement in this context.*
- *ISFAS 31: Interpretation of PSAK No. 13 Investment Property.*
- *ISFAS 32: Definition and Hierarchy of Financial Accounting Standards.*

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Implementasi dari standar-standar tersebut tidak memiliki dampak yang signifikan terhadap jumlah yang dilaporkan di periode berjalan atau tahun sebelumnya.

The implementation of the above standards had no significant effect on the amounts reported for the current period or prior financial years.

c. Penerapan Standar Akuntansi Keuangan ("PSAK") Baru dan Revisi, serta Interpretasi Standar Akuntansi Keuangan ("ISAK") yang berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2018 dan setelahnya

Amandemen standar dan interpretasi berikut ini efektif untuk periode yang dimulai pada atau setelah 1 Januari 2018, dengan penerapan dini diperkenankan, yaitu:

- PSAK 2 (Amandemen): Laporan Arus Kas tentang Prakarsa Pengungkapan, yang mensyaratkan entitas untuk menjelaskan perubahan pada kewajibannya untuk arus kas yang telah, atau yang akan di klasifikasi sebagai aktivitas pembiayaan pada laporan arus kas.
- PSAK 13 (Amandemen): Properti Investasi tentang pengalihan properti investasi.
- PSAK 15 (Penyesuaian): Investasi pada Entitas Asosiasi dan Ventura Bersama, tentang kepentingan jangka panjang pada entitas asosiasi dan ventura bersama.
- PSAK 16 (Amandemen): Aset Tetap-Agrikultur: Tanaman Produktif, tentang klarifikasi atas aset biologis yang memenuhi definisi dari tanaman produksi dicatat sebagai aset tetap.
- PSAK 46 (Amandemen): Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi, tentang klarifikasi persyaratan untuk mengakui aset pajak tangguhan atas rugi yang belum terealisasi.
- PSAK 53 (Amandemen): Pembayaran Berbasis Saham, tentang klasifikasi dan pengukuran transaksi pembayaran berbasis saham.
- PSAK 67 (Amandemen): Pengungkapan Kepentingan dalam Entitas Lain, tentang kepentingan di entitas yang

c. New and Revised Statements of Financial Accounting Standard ("SFAS") and Interpretations of Financial Accounting Standard ("ISFAS") effective for the year beginning on or after January 1, 2018 and onwards

The following amendments and interpretations of standard will be effective for the year beginning on or after January 1, 2018, for which early adoption is permitted, namely:

- SFAS 2 (Amendment): Statement of Cash Flows about Disclosure Initiative, which requires entity to explain changes in their liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows.
- SFAS 13 (Amendment): Investment Property, regarding transfer of investment property.
- SFAS 15 (Improvement): Investments in Associates and Joint Ventures, regarding long term interest in associates and joint ventures.
- SFAS 16 (Amendment): Property, Plant and Equipment-Agriculture: Bearer Plants, regarding clarification on biological assets that meet the definition of bearer plants are accounted for as fixed assets.
- SFAS 46 (Amendment): Income Tax: Recognition on Deferred Tax Assets for Unrealized Losses, regarding clarification on the requirements for recognizing deferred tax assets on unrealized losses.
- SFAS 53 (Amendment): Share-based Payment, regarding classification and measurement of share-based payment transactions.
- SFAS 67 (Amendment): Disclosures of Interest in Other Entities, regarding interests in entities classified as

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dikategorikan sebagai dimiliki untuk dijual kecuali untuk ringkasan informasi keuangan.

- PSAK 69: Agrikultur
- PSAK 111: Akuntansi Wa'd

Interpretasi standar berikut efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2019, dengan penerapan dini diperkenankan yaitu:

- ISAK 33, Transaksi Valuta Asing dan Imbalan Dimuka

Standar dan amandemen standar berikut efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2020, dengan penerapan dini diperkenankan yaitu:

- PSAK 15 (Amandemen): Investasi pada Entitas Asosiasi dan Ventura Bersama tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama
- PSAK 62 (Amandemen): Kontrak Asuransi - Menerapkan PSAK 71: Instrumen Keuangan dengan PSAK 62: Kontrak Asuransi
- PSAK 71: Instrumen Keuangan
- PSAK 71 (Amandemen): Instrumen Keuangan tentang Fitur Percepatan Pelunasan dengan Kompensasi Negatif
- PSAK 72: Pendapatan dari Kontrak dengan Pelanggan
- PSAK 73: Sewa

Pada saat penerbitan laporan keuangan konsolidasian, Perusahaan dan entitas anak masih mempelajari dampak yang mungkin timbul dari penerapan standar baru, amandemen standar, dan interpretasi atas standar serta pengaruhnya pada laporan keuangan konsolidasian Perusahaan dan entitas anak.

held-for-sale except for summarised financial information.

- SFAS 69: Agriculture
- SFAS 111: Wa'd Accounting

Interpretation to standard effective for periods beginning on or after January 1, 2019, with early application is permitted:

- ISAK 33, Foreign Currency Transactions and Advance Consideration

Standards and amendments to standards effective for periods beginning on or after January 1, 2020, with early application is permitted are:

- SFAS 15 (Amendment): Investments in Associates and Joint Ventures: Long Term Interest in Associate and Joint Ventures
- SFAS 62 (Amendment): Insurance Contract - Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contracts
- SFAS 71: Financial Instruments
- SFAS 71 (Amendment): Financial Instruments: Prepayment Features with Negative Compensation
- SFAS 72: Revenue from Contracts with Customers
- SFAS 73: Leases

As of the authorization date of these consolidated financial statements, the Company and its subsidiaries are still evaluating the potential impact of these new standards, amendments, and interpretations of standards to the Company and its subsidiaries' consolidated financial statements.

3. Kebijakan Akuntansi Penting

a. Pernyataan Kepatuhan

Sejak 1 Januari 2016, laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia ("PABU"), yang mencakup:

3. Significant Accounting Policies

a. Statement of Compliance

Since January 1, 2016, the consolidated financial statements were prepared and presented in accordance with Indonesian Generally Accepted Accounting Principles ("GAAP"), which cover:

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- (a) Standar Akuntansi Keuangan yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan - Ikatan Akuntan Indonesia ("DSAK-IAI"), yang meliputi Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK").
- (b) Standar Akuntansi Keuangan yang dikeluarkan oleh Dewan Standar Akuntansi Syariah - Ikatan Akuntan Indonesia ("DSAS-IAI").
- (c) Ketentuan akuntansi keuangan yang ditetapkan oleh OJK, terdiri dari Peraturan No. VIII.G.7 tentang Pedoman Penyajian Laporan Keuangan, Keputusan Ketua Badan Pengawas Pasar Modal – Lembaga Keuangan ("Bapepam-LK") No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik, dan Peraturan OJK No.6 POJK.04/2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik.

Sebelum 1 Januari 2016, laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia. Standar akuntansi keuangan tersebut mencakup:

- (a) Standar Akuntansi Keuangan yang dikeluarkan oleh DSAK-IAI, yang meliputi PSAK dan ISAK.
- (b) Ketentuan akuntansi keuangan yang ditetapkan oleh OJK, termasuk Peraturan No. VIII.G.7 tentang Pedoman Penyajian Laporan Keuangan, Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik.

b. Dasar Penyusunan

Dasar penyusunan laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian adalah dasar akrual. Mata uang penyajian yang digunakan untuk penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah ("Rp"), yang juga merupakan mata uang fungsional Perusahaan dan entitas

- (a) *Financial Accounting Standards issued by the Financial Accounting Standard Board - Indonesian Institute of Accountant ("DSAK-IAI"), which covers Indonesian Statements Financial Accounting Standards ("SFAS") and Interpretation of Financial Accounting Standards ("ISFAS").*
- (b) *Financial Accounting Standards issued by the Indonesian Sharia Accounting Standard Board - Indonesian Institute of Accountant ("DSAS-IAI").*
- (c) *Applicable Capital Market Regulations as stated by FSA including Regulation No. VIII.G.7 regarding Guidance for the Presentation of Financial Statements, Decree of Chairman of Capital Market and Financial Institution Supervisory Board ("CM-FISB") No. KEP-347/BL/2012 regarding Presentation and Disclosure of Financial Statements of Listed or Public Company, and FSA Regulation No.6 POJK.04/2017 regarding Accounting Treatment for Transactions Based on Power Purchase Agreements.*

Prior to January 1, 2016, the consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards. Those financial accounting standards cover:

- (a) *Financial Accounting Standards issued by DSAK-IAI, which covers SFAS and ISFAS.*
- (b) *Applicable Capital Market Regulations as stated by FSA including Regulation No. VIII.G.7 regarding Guidance for the Presentation of Financial Statements, Decree of Chairman of CM-FISB No. KEP-347/BL/2012 regarding Presentation and Disclosure of Financial Statements of Listed or Public Company.*

b. Basis of Preparation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared on the accrual basis of accounting. The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah ("Rp"), which is also the functional currency of the Company

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anak. Laporan keuangan konsolidasian disusun berdasarkan nilai historis, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

and its subsidiaries. The measurement basis is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

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

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

c. Dasar Konsolidasian

Laporan keuangan konsolidasian menggabungkan laporan keuangan Perusahaan dan entitas anak (termasuk entitas bertujuan khusus) yang dikendalikan oleh Perusahaan atau entitas anak. Pengendalian dianggap ada ketika Perusahaan memiliki hak atas imbal hasil variabel dari keterlibatannya dengan suatu entitas dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas entitas tersebut.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including special purpose entities) controlled by the Company or its subsidiaries. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Hasil entitas anak yang diakuisisi atau dijual selama periode berjalan termasuk dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sejak tanggal efektif akuisisi dan sampai dengan tanggal efektif penjualan.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Jika diperlukan, penyesuaian dapat dilakukan terhadap laporan keuangan entitas anak agar kebijakan akuntansi yang digunakan sesuai dengan kebijakan akuntansi yang digunakan oleh Perusahaan.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by the Company.

Seluruh transaksi antar perusahaan, saldo, penghasilan dan beban dieliminasi pada saat konsolidasi.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Perubahan dalam bagian kepemilikan Perusahaan dan entitas anak pada entitas anak masing-masing yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas. Nilai tercatat kepentingan Perusahaan dan entitas anak dan kepentingan non-pengendali disesuaikan untuk mencerminkan perubahan bagian

Changes in the Company's and its subsidiaries' interests in the respective subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company and its subsidiaries' interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any

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kepemilikannya atas entitas anak. Setiap perbedaan antara jumlah kepentingan non-pengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik Perusahaan.

Jika Perusahaan kehilangan pengendalian atas entitas anak, maka Perusahaan:

- (a) Menghentikan pengakuan aset (termasuk *goodwill*) dan liabilitas entitas anak pada jumlah tercatatnya ketika pengendalian hilang;
- (b) Menghentikan pengakuan jumlah tercatat setiap kepentingan non-pengendali pada entitas anak terdahulu ketika pengendalian hilang (termasuk setiap komponen penghasilan komprehensif lain yang diatribusikan pada kepentingan non-pengendali);
- (c) Mengakui nilai wajar pembayaran yang diterima, jika ada, dari transaksi, peristiwa, atau keadaan yang mengakibatkan hilangnya pengendalian;
- (d) Mengakui sisa investasi pada entitas anak terdahulu pada nilai wajarnya pada tanggal hilangnya pengendalian;
- (e) Mereklasifikasi ke laba rugi, atau mengalihkan secara langsung ke saldo laba jika disyaratkan oleh Standar Akuntansi Keuangan lain, jumlah yang diakui dalam penghasilan komprehensif lain dalam kaitan dengan entitas anak;
- (f) Mengakui perbedaan apapun yang dihasilkan sebagai keuntungan atau kerugian dalam laba rugi yang diatribusikan kepada pemilik entitas induk.

d. Kombinasi Bisnis

Kombinasi bisnis adalah suatu transaksi atau peristiwa lain dimana pihak pengakuisisi memperoleh pengendalian atas satu atau lebih bisnis. Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Perusahaan dan entitas anak, liabilitas

difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

If the Company loses control over the subsidiary, the Company:

- (a) *Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control ceases;*
- (b) *Derecognizes the carrying amounts of any non-controlling interests in the former subsidiary at the date when control ceases (including any components of other comprehensive income attributable to them);*
- (c) *Recognizes the fair value of the consideration received, if any, from the transaction, event or circumstance that resulted in the cessation of control;*
- (d) *Recognizes any investment retained in the former subsidiary at its fair value at the date when control ceases;*
- (e) *Reclassifies to profit or loss, or directly transfer to retained earnings if required by other Financial Accounting Standards, the amounts recognized in other comprehensive income in relation to the former subsidiary;*
- (f) *Recognizes any resulting difference as a gain or loss attributable to the owners of the parent.*

d. Business Combinations

Business combination is a transaction or other events in which an acquirer obtains control of one or more businesses. Business combination is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company and its subsidiaries, liabilities incurred by the

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yang diakui oleh Perusahaan dan entitas anak kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Perusahaan dan entitas anak dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui di dalam laba rugi pada saat terjadinya.

Company and its subsidiaries to the former owners of the acquiree and the equity interests issued by the Company and its subsidiaries in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Kepentingan non-pengendali yang menyajikan bagian kepemilikan dan memberikan mereka hak atas bagian proposional dari aset neto entitas dalam hal terjadi likuidasi pada awalnya diukur baik pada nilai wajar ataupun pada bagian proporsional kepemilikan kepentingan non-pengendali atas aset neto teridentifikasi dari pihak yang diakuisisi. Pilihan dasar pengukuran dilakukan atas dasar transaksi. Kepentingan non-pengendali jenis lain diukur pada nilai wajar atau, jika berlaku, pada dasar pengukuran lain yang ditentukan oleh standar akuntansi lain.

Non-controlling interests that are present ownership interests and entitles their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another accounting standard.

Bila imbalan yang dialihkan oleh Perusahaan dan entitas anak dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjen (*contingent consideration arrangement*), imbalan kontinjen tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis. Perubahan dalam nilai wajar atas imbalan kontinjen yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap *goodwill*. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

When the consideration transferred by the Company and its subsidiaries in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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Perubahan selanjutnya dalam nilai wajar atas imbalan kontinjen yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjen tersebut diklasifikasikan. Imbalan kontinjen yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada tanggal sesudah tanggal pelaporan dan penyelesaian selanjutnya dicatat dalam ekuitas. Imbalan kontinjen yang diklasifikasikan sebagai aset atau liabilitas diukur kembali setelah tanggal pelaporan sesuai dengan standar akuntansi yang relevan, dengan diakui keuntungan atau kerugian terkait dalam laba rugi atau dalam pendapatan komprehensif lain.

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Perusahaan dan entitas anak atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugiannya, jika ada, diakui di dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam pendapatan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai ketika kepemilikannya dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Perusahaan dan entitas anak melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

e. Transaksi dan Penjabaran Mata Uang Asing

Pembukuan Perusahaan dan entitas anak, kecuali Majapahit Holding B.V. ("MH") dan Majapahit Finance B.V. ("MF") diselenggarakan dalam mata uang Rupiah,

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. A contingent consideration that is classified as an asset or liability is remeasured subsequent to the reporting dates in accordance with the relevant accounting standards, as appropriate, with the corresponding gain or loss being recognized in profit or loss or in other comprehensive income.

When a business combination is achieved in stages, the Company and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate when those interests were disposed of.

If the initial accounting for a business combination is incompleting by the end of the reporting period in which the combination occurs, the Company and its subsidiaries report provisional amounts for the items for which the accounting is incompleting. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Foreign Currency Transactions and Translation

The accounts of the Company and its subsidiaries, except for Majapahit Holding B.V. ("MH") and Majapahit Finance B.V. ("MF"), are maintained in Indonesian

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mata uang dari lingkungan ekonomi utama dimana entitas beroperasi (mata uang fungsionalnya). Transaksi-transaksi selama periode berjalan dalam mata uang asing dicatat dengan kurs yang berlaku pada saat terjadinya transaksi. Pada tanggal pelaporan, aset dan kewajiban moneter dalam mata uang asing disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut. Keuntungan atau kerugian kurs yang timbul dikreditkan atau dibebankan dalam laporan laba rugi komprehensif, kecuali selisih kurs mata uang asing yang dikapitalisasi sebagai biaya pinjaman.

Kegiatan usaha MH dan MF merupakan bagian integral dari kegiatan usaha Perusahaan, dengan demikian pembukuan MH dan MF yang diselenggarakan dalam mata uang asing dijabarkan dalam mata uang Rupiah dengan menggunakan kebijakan akuntansi yang sama dengan Perusahaan.

Pada tanggal 31 Desember 2017 dan 2016, kurs konversi yang digunakan Perusahaan dan entitas anak sebagai berikut:

Rupiah, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the period involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss, except those foreign exchange differences which are capitalized as borrowing costs.

The operating activities of MH and MF are an integral part of the Company's activities; hence the accounts of MH and MF, which are maintained in foreign currency, are translated into Rupiah using the same accounting policy adopted by the Company.

The conversion rates used by the Company and its subsidiaries on December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	
	<u>Kurs tengah/ Middle rate Rp *)</u>	<u>Kurs tengah/ Middle rate Rp *)</u>	<u>Currency</u>
Mata uang			
JPY	120	115	JPY
US\$	13,548	13,436	US\$
EUR	16,174	14,162	EUR
AUD	10,557	9,724	AUD
CHF	13,842	13,178	CHF
GBP	18,218	16,508	GBP
NZD	9,613	9,360	NZD

*) dalam jumlah penuh/ *in full amount*

- f. Transaksi dengan Pihak-Pihak Berelasi**
Pihak-pihak berelasi adalah orang atau entitas yang terkait dengan Perusahaan dan entitas anak (entitas pelapor):
(a) Orang atau anggota keluarga dekatnya mempunyai relasi dengan entitas pelapor jika orang tersebut:

- f. Transactions with Related Parties**
A related party is a person or entity that is related to the Company and its subsidiaries (the reporting entity):
(a) *A person or a close member of that person's family is related to a reporting entity if that person:*

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| <p>i. memiliki pengendalian atau pengendalian bersama atas entitas pelapor;</p> <p>ii. memiliki pengaruh signifikan atas pelapor atau entitas pelapor; atau</p> <p>iii. merupakan personel manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.</p> <p>(b) Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:</p> <p>i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya saling berelasi dengan entitas lain).</p> <p>ii. Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).</p> <p>iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.</p> <p>iv. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.</p> <p>v. Entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.</p> <p>vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a), atau</p> <p>vii. Orang yang diidentifikasi dalam huruf (a) (i) memiliki pengaruh signifikan atas entitas atau personel manajemen kunci entitas (atau entitas induk dari entitas).</p> | <p>i. has control or joint control over the reporting entity;</p> <p>ii. has significant influence over the reporting entity; or</p> <p>iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</p> <p>(b) An entity is related to a reporting entity if any of the following conditions apply:</p> <p>i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</p> <p>ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</p> <p>iii. Both entities are joint ventures of the same third party.</p> <p>iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> <p>v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.</p> <p>vi. The entity is controlled or jointly controlled by a person identified in (a), or</p> <p>vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</p> |
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viii. Entitas, atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Entitas yang berelasi dengan Pemerintah adalah entitas yang dikendalikan, dikendalikan bersama, atau dipengaruhi oleh Pemerintah. Pemerintah mengacu kepada Pemerintah, instansi Pemerintah dan badan yang serupa baik lokal, nasional maupun internasional.

A government related entity is an entity that is controlled, jointly controlled or significantly influenced by a government. Government refers to government, government agencies and similar bodies whether local, national or international.

Entitas yang berelasi dengan Pemerintah dapat berupa entitas yang dikendalikan atau dipengaruhi secara signifikan oleh Kementerian Keuangan atau Pemerintah Daerah yang merupakan Pemegang Saham entitas, atau entitas yang dikendalikan oleh Pemerintah Republik Indonesia melalui Kementerian BUMN sebagai kuasa pemegang saham.

Government related entity can be an entity which is controlled or significantly influenced by the Ministry of Finance or Local Government being the shareholders of the entity or an entity controlled by the Government of Republic of Indonesia, represented by the Ministry of BUMN as shareholder's representative.

Seluruh transaksi dan saldo yang signifikan dengan pihak berelasi diungkapkan dalam Catatan yang relevan.

All significant transactions and balances with related parties are disclosed in the relevant Notes.

g. Aset Keuangan

Pengakuan dan Pengukuran Awal

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang awalnya diukur sebesar nilai wajar.

g. Financial Assets

Initial Recognition and Measurement

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as a fair value through profit or loss, which are initially measured at fair value.

Pengukuran Selanjutnya Aset Keuangan

Aset keuangan Perusahaan dan entitas anak diklasifikasikan sebagai berikut: aset keuangan yang diukur pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, dan yang tersedia untuk dijual.

Subsequent Measurement of Financial Assets

The Company and its subsidiaries' financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale.

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i. Aset Keuangan yang Diukur pada Nilai Wajar Melalui Laba Rugi ("FVTPL")

Aset keuangan yang diukur pada FVTPL adalah aset keuangan yang dimiliki untuk diperdagangkan atau yang pada saat pengakuan awal telah ditetapkan untuk diukur pada nilai wajar melalui laba rugi. Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau bagian dari portfolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek aktual saat ini, atau merupakan derivatif, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Setelah pengakuan awal, aset keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar aset keuangan diakui dalam laba rugi.

ii. Pinjaman yang Diberikan dan Piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif, kecuali:

- (a) pinjaman yang diberikan dan piutang yang dimaksudkan untuk dijual dalam waktu dekat dan yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi;
- (b) pinjaman yang diberikan dan piutang yang pada saat pengakuan awal ditetapkan sebagai tersedia untuk dijual; atau
- (c) pinjaman yang diberikan dan piutang dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman.

i. Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

ii. Loans and Receivables

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

- (a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
- (b) those that upon initial recognition designated as available for sale; or
- (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

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Setelah pengakuan awal, pinjaman yang diberikan dan piutang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

After initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

iii. Aset Keuangan Tersedia untuk Dijual ("AFS")

AFS aset keuangan adalah aset keuangan non-derivatif yang ditetapkan baik sebagai AFS atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan dan piutang, dimiliki hingga jatuh tempo atau aset keuangan pada FVTPL.

iii. Available-for-Sale Financial Assets ("AFS")

AFS financial assets are non-derivative financial assets that are either designated as AFS or are not classified as loans and receivables, held to maturity investments or financial assets at FVTPL.

Setelah pengakuan awal, aset keuangan tersebut diukur sebesar nilai wajar, dimana keuntungan atau kerugian diakui dalam penghasilan komprehensif lain, kecuali untuk kerugian akibat penurunan nilai dan keuntungan atau kerugian akibat perubahan kurs, sampai aset keuangan tersebut dihentikan pengakuannya. Pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi.

On subsequent measurement, the AFS are carried at fair value, with gains or losses recognized in other comprehensive income, except for impairment losses and foreign exchange gain and losses, until they are derecognized. At that time, the cumulative gain or losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as reclassification adjustment.

Perusahaan mengukur nilai wajar instrumen ekuitas yang tidak tercatat di pasar aktif dengan menggunakan teknik penilaian berdasarkan asumsi yang wajar. Dalam keadaan tertentu dimana kisaran estimasi nilai wajar yang realistis cukup signifikan dan probabilitas berbagai estimasi tidak dapat dinilai secara wajar, maka Perusahaan mengukur nilai wajar instrumen AFS tersebut pada biaya perolehan dikurangi penurunan nilai.

The Company measures the fair value of non-listed equity instruments by applying valuation techniques based on reasonable assumptions. In the limited case where the range of reasonable fair value measurements is significantly wide and the probabilities of the various estimates cannot be reasonably assessed, the Company records such AFS instruments at cost less impairment.

Dividen atas instrumen ekuitas AFS, jika ada, diakui pada laba rugi pada saat hak Perusahaan dan entitas anak untuk memperoleh pembayaran dividen ditetapkan.

Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Company and its subsidiaries' rights to receive the dividends are established.

Metode Suku Bunga Efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari instrumen

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating

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keuangan dan metode untuk mengalokasikan pendapatan bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan kas di masa datang (mencakup seluruh komisi dan bentuk lain yang dibayarkan dan diterima yang merupakan bagian yang tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium dan diskonto lainnya) selama perkiraan umur instrumen keuangan, atau, jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan pada saat pengakuan awal.

Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan.

Penurunan Nilai Aset Keuangan

Aset keuangan dievaluasi terhadap indikator penurunan nilai pada setiap akhir tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara handal.

Untuk investasi ekuitas AFS yang tercatat dan tidak tercatat di bursa, penurunan yang signifikan atau jangka panjang pada nilai wajar dari investasi ekuitas di bawah biaya perolehannya dianggap sebagai bukti objektif penurunan nilai.

Untuk aset keuangan lainnya, bukti objektif penurunan nilai termasuk sebagai berikut:

- kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan.
- terdapat data yang dapat diobservasi yang mengindikasikan adanya penurunan yang dapat diukur atas

interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and other forms paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset and the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- *significant financial difficulty of the issuer or counterparty; or*
- *breach of contract, such as default or delinquency in interest or principal payments; or*
- *it becomes probable that the borrower will enter bankruptcy or financial re-organization.*
- *observable data indicating that there is a measurable decrease in the estimated future cash flows from a*

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estimasi arus kas masa depan dari kelompok aset keuangan sejak pengakuan awal aset, seperti memburuknya status pembayaran pihak peminjam atau kondisi ekonomi yang berkorelasi dengan gagal bayar.

group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

Untuk kelompok aset keuangan tertentu, seperti piutang, aset yang dinilai tidak akan diturunkan secara individual tetapi penurunan secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Perusahaan dan entitas anak atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan *default* atas piutang.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company and its subsidiaries' past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Untuk aset keuangan yang diukur pada biaya perolehan diamortisasi, jumlah kerugian penurunan nilai merupakan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Nilai tercatat aset keuangan tersebut dikurangi dengan kerugian penurunan nilai secara langsung atas aset keuangan, kecuali piutang yang nilai tercatatnya dikurangi melalui penggunaan akun cadangan kerugian penurunan nilai piutang. Jika piutang tidak tertagih, piutang tersebut dihapuskan melalui akun cadangan kerugian penurunan nilai piutang. Pemulihan kemudian dari jumlah yang sebelumnya telah dihapuskan dikreditkan terhadap akun cadangan kerugian penurunan nilai piutang. Perubahan nilai tercatat akun cadangan kerugian penurunan nilai piutang diakui dalam laba rugi.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Jika aset keuangan AFS dianggap menurun nilainya, keuntungan kumulatif yang sebelumnya telah diakui dalam ekuitas dicatat ke laba rugi.

When an AFS financial asset is considered to be impaired, cumulative gains previously recognized in equity are recognized in profit or loss.

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Pengecualian dari instrumen ekuitas AFS, jika, pada periode berikutnya, jumlah penurunan nilai berkurang dan penurunan dapat dikaitkan secara objektif dengan sebuah peristiwa yang terjadi setelah penurunan nilai tersebut diakui, kerugian penurunan nilai yang sebelumnya diakui dipulihkan melalui laba rugi hingga nilai tercatat investasi pada tanggal pemulihan penurunan nilai tidak melebihi biaya perolehan diamortisasi sebelum pengakuan kerugian penurunan nilai dilakukan.

Dalam hal efek ekuitas AFS, kerugian penurunan nilai yang sebelumnya diakui dalam laba rugi tidak boleh dipulihkan melalui laba rugi. Setiap kenaikan nilai wajar setelah penurunan nilai diakui secara langsung ke penghasilan komprehensif lain.

Penghentian Pengakuan Aset Keuangan

Perusahaan dan entitas anak menghentikan pengakuan aset keuangan jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset berakhir, atau Perusahaan dan entitas anak mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain. Jika Perusahaan dan entitas anak tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Perusahaan dan entitas anak mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Perusahaan dan entitas anak memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Perusahaan dan entitas anak masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

Saat penghentian pengakuan aset keuangan secara keseluruhan, selisih antara jumlah tercatat aset dan jumlah pembayaran dan piutang yang diterima dan keuntungan atau kerugian kumulatif yang telah diakui dalam pendapatan

With the exception of AFS equity instruments, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of Financial Assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company and its subsidiaries recognize their retained interest in the asset and an associated liability for amounts they may have to pay. If the Company and its subsidiaries retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company and its subsidiaries continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive

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komprehensif lain dan terakumulasi dalam ekuitas diakui dalam laba rugi.

Saat penghentian pengakuan aset keuangan terhadap satu bagian saja (misalnya ketika Perusahaan dan entitas anak masih memiliki hak untuk membeli kembali bagian aset yang ditransfer), Perusahaan dan entitas anak mengalokasikan jumlah tercatat sebelumnya dari aset keuangan tersebut pada bagian yang tetap diakui berdasarkan keterlibatan berkelanjutan dan bagian yang tidak lagi diakui berdasarkan nilai wajar relatif dari kedua bagian tersebut pada tanggal transfer. Selisih antara jumlah tercatat yang dialokasikan pada bagian yang tidak lagi diakui dan jumlah dari pembayaran yang diterima untuk bagian yang tidak lagi diakui dan setiap keuntungan atau kerugian kumulatif yang dialokasikan pada bagian yang tidak lagi diakui tersebut yang sebelumnya telah diakui dalam pendapatan komprehensif lain diakui pada laba rugi. Keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam pendapatan komprehensif lain dialokasikan pada bagian yang tetap diakui dan bagian yang dihentikan pengakuannya, berdasarkan nilai wajar relatif kedua bagian tersebut.

Reklasifikasi

Perusahaan dan entitas anak tidak mereklasifikasi instrumen derivatif dari diukur pada nilai wajar melalui laba rugi selama derivatif tersebut dimiliki atau diterbitkan dan tidak mereklasifikasi setiap instrumen keuangan dari diukur melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Perusahaan dan entitas anak sebagai diukur pada nilai wajar melalui laba rugi. Perusahaan dan entitas anak dapat mereklasifikasi aset keuangan yang diukur pada nilai wajar melalui laba rugi, jika aset keuangan tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali aset keuangan tersebut dalam waktu dekat. Perusahaan dan entitas anak tidak mereklasifikasi setiap instrumen keuangan pada nilai wajar melalui laba rugi setelah pengakuan awal.

income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company and its subsidiaries retain an option to repurchase part of a transferred asset), the Company and its subsidiaries allocate the previous carrying amount of the financial asset between the part they continue to recognize under continuing involvement and the part they no longer recognize on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Reclassification

The Company and its subsidiaries shall not reclassify a derivative instrument out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Company and its subsidiaries as at fair value through profit or loss. The Company and its subsidiaries may reclassify the financial asset out of the fair value through profit or loss category if it is no longer held for the purpose of selling or repurchasing it in the near term. The Company and its subsidiaries shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

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Jika, karena perubahan intensi atau kemampuan Perusahaan dan entitas anak, instrumen tersebut tidak tepat lagi diklasifikasikan sebagai investasi dimiliki hingga jatuh tempo, maka investasi tersebut direklasifikasi menjadi tersedia untuk dijual dan diukur kembali pada nilai wajar. Jika terjadi penjualan atau reklasifikasi atas investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan, maka sisa investasi dimiliki hingga jatuh tempo direklasifikasi menjadi tersedia untuk dijual, kecuali penjualan atau reklasifikasi tersebut dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, terjadi setelah seluruh jumlah pokok telah diperoleh secara substansial sesuai jadwal pembayaran atau telah diperoleh pelunasan dipercepat; atau terkait dengan kejadian tertentu yang berada di luar kendali, tidak berulang, dan tidak dapat diantisipasi secara wajar.

Pengukuran Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Nilai wajar aset dan liabilitas keuangan diestimasi untuk keperluan pengakuan dan pengukuran atau untuk keperluan pengungkapan.

Nilai wajar dikategorikan dalam level yang berbeda dalam suatu hirarki nilai wajar berdasarkan pada apakah input suatu pengukuran dapat diobservasi dan signifikansi input terhadap keseluruhan pengukuran nilai wajar:

- (i) Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran (Level 1);
- (ii) Input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung maupun tidak langsung (Level 2);
- (iii) Input yang tidak dapat diobservasi untuk aset atau liabilitas (Level 3).

If, as a result of a change in the Company and its subsidiaries' intention or ability, it is no longer appropriate to classify an investment as held-to-maturity investments, it shall be reclassified to available-for-sale investments and remeasured at fair value. Whenever sales or reclassification of more than insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sale or reclassification that are so close to maturity or the financial asset's call date, occur after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

Fair Value Measurement

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

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1);*
- (ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2);*
- (iii) Unobservable inputs for the assets or liabilities (Level 3).*

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Dalam mengukur nilai wajar aset atau liabilitas, Perusahaan dan entitas anak sebisa mungkin menggunakan data pasar yang dapat diobservasi. Apabila nilai wajar aset atau liabilitas tidak dapat diobservasi secara langsung, Perusahaan dan entitas anak menggunakan teknik penilaian yang sesuai dengan keadaannya dan memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

Perpindahan antara level hirarki nilai wajar diakui oleh Perusahaan dan entitas anak pada akhir periode pelaporan dimana perpindahan terjadi.

Lindung nilai

Dalam bisnis normal, Perusahaan dan entitas anak terekspos risiko nilai tukar dan tingkat bunga. Untuk melindungi dari risiko-risiko ini sesuai dengan kebijakan treasury tertulis dari manajemen, Perusahaan dan entitas anak menggunakan derivatif dan instrumen lindung nilai lainnya. PSAK 55 memperbolehkan tiga jenis hubungan lindung nilai:

- Lindung nilai atas nilai wajar;
- Lindung nilai atas arus kas;
- Lindung nilai atas investasi neto pada kegiatan usaha luar negeri.

Perusahaan dan entitas anak menggunakan akuntansi lindung nilai hanya jika seluruh kondisi berikut ini terpenuhi pada saat dimulainya lindung nilai:

- Instrumen lindung nilai dan item yang dilindung nilai diidentifikasi dengan jelas;
- Terdapat penetapan dan pendokumentasian formal atas hubungan lindung nilai. Dokumentasi lindung nilai mencakup strategi lindung nilai dan metode yang digunakan untuk menilai efektivitas lindung nilai; dan
- Efektivitas hubungan lindung nilai diperkirakan sangat tinggi di sepanjang masa dari lindung nilai.

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Company and its subsidiaries use valuation techniques that are appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognized by the Company and its subsidiaries at the end of the reporting period during which the change occurred.

Hedging

In the normal course of business, the Company and its subsidiaries are exposed to currency and interest rate risks. In order to hedge these risks in accordance with the management's written treasury policies, the Company and its subsidiaries use derivatives and other hedging instruments. PSAK 55 allows three types of hedging relationships:

- *Fair value hedge;*
- *Cash flow hedge;*
- *Hedge of a net investment in a foreign operation.*

The Company and its subsidiaries use hedge accounting only when the following conditions at the inception of the hedge are satisfied:

- *The hedging instrument and the hedged item are clearly identified;*
- *Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and*
- *The hedge relationship is expected to be highly effective throughout the life of the hedge.*

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Dokumentasi di atas selanjutnya dimutakhirkan pada setiap periode pelaporan untuk menilai apakah lindung nilai tetap diperkirakan akan sangat efektif di sepanjang sisa masa lindung nilai.

Lindung nilai atas arus kas

Bagian dari keuntungan atau kerugian atas instrumen lindung nilai yang ditetapkan sebagai lindung nilai yang efektif diakui (setelah pajak) dalam penghasilan komprehensif lain dan diakumulasi dalam cadangan lindung nilai, dan bagian yang tidak efektif atas keuntungan atau kerugian dari instrumen lindung nilai tersebut diakui dalam laba rugi.

Tidak dilakukan penyesuaian atas item yang dilindung nilai.

Jika suatu lindung nilai atas prakiraan transaksi yang kemudian menimbulkan pengakuan suatu aset keuangan atau liabilitas keuangan, maka keuntungan atau kerugian terkait yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi pada periode yang sama pada saat lindung nilai atas prakiraan arus kas mempengaruhi laba rugi.

Jika suatu lindung nilai atas prakiraan transaksi yang kemudian menimbulkan pengakuan aset non-keuangan atau liabilitas non-keuangan, atau jika suatu lindung nilai atas prakiraan transaksi atas aset non-keuangan atau liabilitas non-keuangan menjadi komitmen pasti dimana akuntansi lindung nilai atas nilai wajar diterapkan, maka Perusahaan mereklasifikasi keuntungan dan kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain ke laba rugi sebagai penyesuaian reklasifikasi.

h. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi Sebagai Liabilitas atau Ekuitas
Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Perusahaan dan entitas anak diklasifikasikan sesuai dengan substansi perjanjian kontraktual dan definisi liabilitas keuangan dan instrumen ekuitas.

The above documentation is subsequently updated at each reporting date in order to assess whether the hedge is still expected to be highly effective over its remaining life.

Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized (net of tax) in other comprehensive income and accumulated under hedging reserve, and the ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

No adjustment is made to the hedged item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Company reclassifies the associated gains and losses that were previously recognized in other comprehensive income to profit or loss as a reclassification adjustment.

h. Financial Liabilities and Equity Instruments

Classification as Liabilities or Equity
Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Instrumen Ekuitas

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset Perusahaan dan entitas anak setelah dikurangi dengan seluruh liabilitasnya. Instrumen ekuitas dicatat sebesar hasil penerimaan bersih setelah dikurangi biaya penerbitan langsung.

Liabilitas Keuangan

Penerusan pinjaman, utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank, utang bank dan surat utang jangka menengah, utang obligasi (tidak termasuk sukuk ijarah), utang listrik swasta dan pinjaman lainnya pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dengan beban bunga diakui berdasarkan metode suku bunga efektif.

Selisih antara hasil emisi (setelah dikurangi biaya transaksi) dan penyelesaian atau pelunasan pinjaman diakui selama jangka waktu pinjaman menggunakan metode suku bunga efektif.

Sukuk ijarah diakui pada saat entitas menjadi pihak yang terikat dengan ketentuan penerbitan sukuk ijarah. Sukuk ijarah diakui sebesar nilai nominal disesuaikan dengan premium atau diskonto dan biaya transaksi terkait dengan penerbitannya.

Setelah pengakuan awal, jika jumlah tercatat berbeda dengan nilai nominal disebabkan penyesuaian premium atau diskonto, maka perbedaan tersebut diamortisasi secara garis lurus selama jangka waktu sukuk ijarah.

Penghentian Pengakuan Liabilitas Keuangan

Perusahaan dan entitas anak menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas Perusahaan dan entitas anak telah dilepaskan, dibatalkan atau kadaluarsa. Selisih antara jumlah tercatat liabilitas keuangan yang dihentikan pengakuannya dan imbalan yang dibayarkan dan utang diakui dalam laba rugi.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company and its subsidiaries after deducting all of its liabilities. Equity instruments are recorded as the proceeds received, net of direct issue costs.

Financial Liabilities

Two-step loans, Government and non-bank Government Financial Institution loans, bank loans and medium term notes, bonds payable (excluding sukuk ijarah), electricity purchase payable and other borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings using the effective interest rate method.

Sukuk ijarah are recognized when the entity becomes a party bound by the provisions of the issuance of sukuk ijarah. Sukuk ijarah are recognized at the nominal value adjusted with premium or discount and transaction cost related to the issuance.

After initial recognition, if the carrying amount is different from the nominal value caused by the premium or discount, then the difference is amortized on straight-line basis over the period of the sukuk ijarah.

Derecognition of Financial Liabilities

The Company and its subsidiaries derecognize financial liabilities, when and only when the Company and its subsidiaries' obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the considerations paid and payable is recognized in profit or loss.

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**i. Saling Hapus Antar Aset Keuangan dan
Liabilitas Keuangan**

Aset dan liabilitas keuangan Perusahaan dan entitas anak saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika dan hanya jika:

- saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut; dan
- berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

j. Aset Tetap - Pemilikan Langsung

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas kelas-kelas aset berikut ini dari model biaya menjadi model revaluasi:

- Tanah
- Bangunan umum, waduk dan prasarana
- Instalasi dan mesin pembangkit
- Perlengkapan transmisi
- Perlengkapan distribusi
- Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik
- Material cadangan utama

Perubahan kebijakan akuntansi tersebut diterapkan secara prospektif sesuai dengan PSAK 25 (Revisi 2015).

Kelas aset di atas, disajikan sebesar nilai wajar dikurangi penyusutan dan penurunan nilai. Tanah tidak disusutkan. Penilaian terhadap aset-aset tersebut dilakukan oleh penilai independen eksternal yang terdaftar di OJK. Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya. Akumulasi penyusutan pada tanggal revaluasi dieliminasi terhadap nilai tercatat bruto aset, dan nilai netonya disajikan kembali sebesar nilai revaluasian aset tetap.

**i. Netting of Financial Assets and
Financial Liabilities**

The Company and its subsidiaries only offset financial assets and liabilities and present the net amount in the statement of financial position where they:

- currently have a legal enforceable right to set off the recognized amount; and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**j. Property, Plant and Equipment - Direct
Acquisition**

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for the following classes of assets from the cost model to the revaluation model:

- Land
- Buildings, reservoir and infrastructure
- Installations and power plant
- Transmission equipment
- Distribution equipment
- Telecommunication and data processing equipment used for electricity supply
- Major spare parts

That change in accounting policy is applied prospectively in accordance with SFAS 25 (Revised 2015).

The classes of asset above, are shown at fair value less subsequent depreciation and impairment losses. Land is not depreciated. Valuation of those assets is performed by external independent valuers which are registered with the FSA. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the property, plant and equipment.

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Aset tetap lainnya disajikan sebesar harga perolehan dikurangi dengan penyusutan dan kerugian penurunan nilai. Harga perolehan termasuk pengeluaran yang dapat diatribusikan secara langsung atas perolehan aset tersebut.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Kenaikan nilai tercatat yang timbul dari revaluasi aset tetap yang menggunakan model revaluasi dikreditkan pada "surplus revaluasi aset" sebagai bagian dari penghasilan komprehensif lain. Penurunan yang menghapus nilai kenaikan sebelumnya atas aset yang sama dibebankan terhadap "surplus revaluasi aset" sebagai bagian dari penghasilan komprehensif lain; penurunan lainnya dibebankan pada laba rugi.

Increases in the carrying amount arising on revaluation of property, plant and equipment that use revaluation model are credited to "asset revaluation surplus" as part of other comprehensive income. Decreases that offset previous increases of the same asset are debited against "asset revaluation surplus" as part of other comprehensive income; all other decreases are charged to profit or loss.

Biaya awal untuk mendapatkan hak atas tanah diakui sebagai bagian biaya akuisisi tanah dan biaya-biaya tersebut tidak disusutkan. Aset, kecuali tanah, disusutkan hingga mencapai estimasi nilai sisa dengan menggunakan metode garis lurus hingga mencapai estimasi nilai sisa selama masa manfaatnya sebagai berikut:

Initial costs incurred to obtain land are recognized as part of the acquisition cost of the land and these costs are not depreciated. Assets, except land, are depreciated to their residual value using the straight-line method to their residual values over their expected useful life as follows:

	2017 dan/ and 2016 (Tahun/ Years)	
Bangunan umum, waduk, dan prasarana	10-50	<i>Buildings, reservoir, and infrastructure</i>
Instalasi dan mesin pembangkit	12-40	<i>Installations and power plant</i>
Perlengkapan transmisi	40	<i>Transmission equipment</i>
Perlengkapan distribusi	40	<i>Distribution equipment</i>
Perlengkapan umum	5	<i>General equipment</i>
Kendaraan bermotor	5	<i>Motor vehicle</i>
Material cadangan utama	10-50	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	10	<i>Telecommunications and data processing equipment used for electricity supply</i>
Perlengkapan pengolahan data dan telekomunikasi lainnya	10	<i>Other telecommunication and data processing equipment</i>
Kapal dan perlengkapan	10-47	<i>Vessel and equipment</i>

Aset sewa pembiayaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset yang dimiliki sendiri atau jika lebih pendek, disusutkan selama periode masa sewa ketika tidak ada kepastian yang memadai bahwa Perusahaan dan entitas anak akan mendapatkan hak kepemilikan pada akhir masa sewa.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant leases where there is no reasonable certainty that the Company and its subsidiaries will obtain ownership at the end of the lease term.

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Masa manfaat ekonomis, nilai sisa dan metode penyusutan dievaluasi setiap akhir tahun dan pengaruh dari setiap perubahan estimasi tersebut berlaku prospektif.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Beban pemeliharaan dan perbaikan dibebankan pada laba rugi pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap diakui sebagai biaya perolehan aset jika dan hanya jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal.

The costs of maintenance and repairs are charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as assets if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Aset tetap yang sudah tidak digunakan lagi atau yang dijual nilai tercatatnya dikeluarkan dari kelompok aset tetap. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laba rugi.

When property, plant and equipment are retired or otherwise disposed of, their carrying values are removed from the accounts. Any resulting gain or loss is reflected in profit or loss.

Aset yang untuk sementara waktu tidak digunakan dalam operasi dicatat sebagai bagian dari aset tetap. Aset yang sementara waktu tidak digunakan dalam operasi disusutkan dengan metode dan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset tetap.

Assets that are temporarily not used in operations are recorded as part of property, plant and equipment. Assets not used in operations are depreciated using the same method and based on the economic useful lives of the property, plant and equipment.

k. Penurunan Nilai Aset Non-keuangan

Aset yang diamortisasi atau disusutkan dikaji untuk penurunan nilai jika terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa jumlah tercatat kemungkinan tidak dapat dipulihkan. Kerugian penurunan nilai diakui sebesar kelebihan jumlah tercatat aset atas jumlah terpulihkannya. Jumlah terpulihkan merupakan jumlah yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakainya. Dalam rangka menguji penurunan nilai, aset dikelompokkan hingga unit terkecil yang menghasilkan arus kas terpisah (unit penghasil kas). Aset non-keuangan yang mengalami penurunan nilai, ditelaah untuk menentukan apakah terdapat kemungkinan pembalikan penurunan nilai, pada setiap tanggal pelaporan.

k. Impairment of Non-Financial Assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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Pembalikan rugi penurunan nilai, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi. Pembalikan tersebut tidak boleh mengakibatkan nilai tercatat aset melebihi biaya perolehan didepresiasi sebelum adanya pengakuan penurunan nilai pada tanggal pembalikan dilakukan.

Reversal on impairment loss for assets would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized in profit or loss. The reversal will not result in the carrying amount of an asset that exceeds what the depreciated cost would have been had the impairment not been recognized at the date at which the impairment was reversed.

I. Sewa

Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa

Perlakuan akuntansi sebelum 1 Januari 2016

ISAK 8: Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa ("ISAK 8") memberikan panduan untuk menentukan apakah suatu perjanjian merupakan sewa atau mengandung sewa sehingga harus diperlakukan sesuai dengan PSAK 30 (Revisi 2011): Sewa ("PSAK 30").

Penyelenggaraan usaha tenaga listrik di Indonesia dikendalikan oleh Pemerintah dan dilaksanakan oleh Perusahaan sebagai BUMN selaku Pemegang Kuasa Usaha Ketenagalistrikan. Pemegang Kuasa Usaha Ketenagalistrikan dan setiap pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum harus memastikan ketersediaan tenaga listrik di setiap wilayah operasinya.

Perusahaan dan entitas anak mengadakan perjanjian jual beli tenaga listrik, yakni PPA dan ESC, dengan IPP. IPP tersebut merupakan pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum, yang dapat diserahkan kepada entitas usaha lain dengan tanggung jawab untuk menghasilkan tenaga listrik guna kepentingan umum.

I. Leases

Determining Whether an Arrangement Contains a Lease

Accounting treatment before January 1, 2016

ISFAS 8: *Determining Whether an Arrangement Contains a Lease* ("ISFAS 8") provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30 (Revised 2011): Leases ("SFAS 30").

The electric power business in Indonesia is controlled by the Government and carried out by the Company as a BUMN, which serves as the holder of an Electricity Business Proxy. The holder of an Electricity Business Proxy and each holder of an Electricity Business License for public use must ensure the adequacy of electric power supply in each of their operating areas.

The Company and its subsidiaries entered into power purchase agreements namely PPA and ESC, with IPPs. Those IPPs are holders of Electricity Business License for public use, which may be granted to other business entities with responsibility to generate electricity for public use.

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Berdasarkan surat Ketua Bapepam-LK yang kemudian bergabung menjadi bagian dari OJK, No. S-2366/BL/2009 tertanggal 30 Maret 2009, perjanjian penyediaan tenaga listrik oleh IPP kepada Perusahaan dan entitas anak yang termasuk dalam kategori perjanjian pelaksanaan jasa publik ke swasta, dikecualikan dari penerapan ISAK 8 sampai DSAK-IAI menerbitkan interpretasi standar akuntansi yang spesifik mengatur transaksi tersebut.

Manajemen mengevaluasi dampak dari ISAK 16: Perjanjian Konsesi Jasa ("ISAK 16") (efektif berlaku tanggal 1 Januari 2012) terhadap Perjanjian Jual Beli Tenaga Listrik Perusahaan dan entitas anak dengan IPP dan menetapkan bahwa transaksi tersebut tidak termasuk dalam ruang lingkup Interpretasi, yang berisi perlakuan akuntansi untuk operator atas perjanjian konsesi jasa publik ke swasta. Selanjutnya, sesuai dengan surat manajemen tanggal 22 Desember 2011 kepada Ketua Bapepam-LK, manajemen memutuskan untuk menerapkan ketentuan ISAK 8, sesuai dengan PSAK 30, terhadap Perjanjian Jual Beli Tenaga Listrik mulai tanggal 1 Januari 2012.

**Perlakuan akuntansi sejak
1 Januari 2016**

Pada tanggal 1 Maret 2017 OJK menerbitkan POJK No.6/POJK.04/2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik ("POJK No.6") yang diterapkan secara prospektif. Penerapan POJK tersebut mengakibatkan seluruh transaksi berdasarkan PPA dan ESC dengan IPP diperlakukan sebagai transaksi jual beli, meskipun dalam transaksi tersebut mengandung substansi selain jual beli, sehingga evaluasi apakah PPA dan IPP mengandung sewa tidak dilakukan (Catatan 2.a).

Based on letter No. S-2366/BL/2009 dated March 30, 2009 from the Chairman of CM-FISB, which has subsequently been merged into the FSA, power supply arrangements by IPPs to the Company and its subsidiaries that are categorized as public-to-private concession arrangements, are exempted from the application of ISFAS 8, until DSAK-IAI has issued an accounting interpretation that can specifically address such transactions.

Management assessed the impact of ISFAS 16: Service Concession Arrangements ("ISFAS 16") (effective January 1, 2012) on the Company's and its subsidiaries' Power Supply Contracts with IPPs and determined that such transactions do not qualify under the scope of the Interpretation, which addresses the accounting of the operators of public-to-private concession arrangements. Subsequently, on its letter dated December 22, 2011 to the Chairman of CM-FISB, management decided to apply the provisions of ISFAS 8, in accordance with SFAS 30, on its Power Supply Contracts since January 1, 2012.

**Accounting treatment since
January 1, 2016**

On March 1, 2017, FSA issued POJK No.6/POJK.04/2017 regarding Accounting Treatment on Transactions based on Power Purchase Agreement ("POJK No.6") which is applied prospectively. The application of the POJK resulted in all transactions based on PPAs and ESCs with IPPs are treated as sale and purchase transactions, regardless those transactions contain substances other than sale and purchase, therefore evaluation on whether PPAs and ESCs with IPPs contain a lease is not performed (Note 2.a).

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Klasifikasi Sewa

Sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset kepada lessee. Sewa lainnya, yang tidak memenuhi kriteria tersebut diklasifikasikan sebagai sewa operasi.

Pembayaran sewa harus dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pengurangan dari liabilitas sewa sehingga mencapai suatu tingkat bunga konstan atas saldo liabilitas. Rental kontinjen dibebankan pada periode terjadinya.

Pembayaran sewa operasi (dikurangi dengan insentif yang diterima dari lessor) diakui sebagai beban dengan dasar garis lurus (*straight-line basis*) selama masa sewa, kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat aset yang dinikmati pengguna. Rental kontinjen diakui dalam sewa operasi sebagai beban di dalam periode terjadinya.

Di tahun 2015 Perusahaan dan entitas anak menetapkan bahwa beberapa perjanjian pembelian tenaga listrik dan perjanjian pembelian energi dengan Penghasil Listrik Independen IPP memenuhi persyaratan sebagai sewa dengan dasar bahwa Perusahaan dan entitas anak dan IPP memiliki perjanjian *take or pay*, dimana Perusahaan dan entitas anak mengambil hampir seluruh listrik dan energi yang dihasilkan oleh pembangkit listrik. Jenis perjanjian ini ditetapkan sebagai sewa pembiayaan dimana porsi signifikan dari risiko dan manfaat atas sejumlah pembangkit listrik telah dialihkan ke Perusahaan dan entitas anak dengan dasar bahwa masa sewa adalah untuk sebagian besar umur ekonomis aset dan terdapat opsi beli pada akhir masa sewa.

Lease Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards related to ownership of an asset to the lessee. All other leases are classified as operating leases.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments (net of any incentives received from the lessor) are recognized as expenses on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as expenses in the period in which they are incurred.

In 2015, the Company and its subsidiaries determined that certain power purchase agreements and energy sales contracts with IPPs qualify as leases on the basis that the Company and its subsidiaries and the IPPs have take or pay arrangements where the Company and its subsidiaries are taking substantially all electricity and energy output from the power plants. This type of arrangement is determined to be a finance lease where a significant portion of the risks and rewards of ownership of certain power plants have been transferred to the Company and its subsidiaries on the basis that the lease term is for the major part of the economic life of the assets and there is a bargain purchase option at the end of the lease term.

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m. Pekerjaan Dalam Pelaksanaan

Pekerjaan dalam pelaksanaan merupakan biaya-biaya yang berhubungan langsung dengan pembangunan aset tetap. Pekerjaan dalam pelaksanaan dinyatakan sebesar biaya perolehan, termasuk biaya pinjaman selama masa pembangunan dari pinjaman yang digunakan untuk pembangunan, beban penyusutan aset tetap yang digunakan dalam pekerjaan pembangunan dan biaya pengujian ketika aset dapat berfungsi setelah dikurangi penjualan listrik ketika masa uji coba. Pekerjaan dalam pelaksanaan akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

n. Biaya Pinjaman

Biaya pinjaman yang dapat diatribusikan secara langsung dengan perolehan, konstruksi atau pembuatan aset kualifikasian, merupakan aset yang membutuhkan waktu yang cukup lama agar siap untuk digunakan atau dijual, ditambahkan pada biaya perolehan aset tersebut, sampai dengan saat selesainya aset secara substansial siap untuk digunakan atau dijual.

Untuk pinjaman yang tidak dapat diatribusikan secara langsung pada suatu aset kualifikasian, jumlah yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi terhadap jumlah yang dikeluarkan untuk memperoleh aset kualifikasian. Tingkat kapitalisasi dihitung berdasarkan rata-rata tertimbang biaya pinjaman yang dibagi dengan jumlah pinjaman yang tersedia selama periode, selain pinjaman yang secara spesifik diambil untuk tujuan memperoleh suatu aset kualifikasian.

Biaya pinjaman dikapitalisasi yang berasal dari rugi selisih kurs dibatasi sedemikian rupa sehingga jumlah dikapitalisasi tidak melebihi jumlah biaya pinjaman yang mungkin terjadi jika pinjaman tersebut dilakukan dengan menggunakan mata uang fungsional pada periode tersebut.

m. Construction in Progress

Construction in progress represents costs directly related to the construction of property, plant and equipment. Construction in progress is stated at cost, which includes borrowing costs during construction on debts incurred to finance the construction, depreciation of property, plant and equipment that were used in the construction and cost of testing whether the asset is functioning properly after deducting sales of electricity during commissioning period. Construction in progress is transferred to the respective property, plant and equipment account when completed and ready for use.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are assets that necessarily take a substantial period of time to get ready for their intended use or sale, to be added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

For borrowings that are not directly attributable to a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expended on the qualifying assets. The capitalization rate is the weighted average of the total borrowings cost applicable to the total borrowings outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Borrowing costs are capitalized from foreign exchange losses to an extent by which the capitalized amount does not exceed the amount of borrowing costs which may have been incurred had the loan been denominated in the functional currency.

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Penghasilan investasi diperoleh atas investasi sementara dari pinjaman yang secara spesifik belum digunakan untuk pengeluaran aset kualifikasian dikurangi dari biaya pinjaman yang dikapitalisasi.

Investment income is earned from the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Semua biaya pinjaman lainnya diakui dalam laba rugi pada periode terjadinya.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Properti Investasi

Properti investasi adalah properti (tanah atau bangunan atau bagian dari suatu bangunan atau kedua-duanya) yang dikuasai oleh pemilik atau penyewa melalui sewa pembiayaan untuk menghasilkan sewa atau untuk kenaikan nilai atau kedua-duanya, dan tidak untuk digunakan dalam produksi atau penyediaan barang atau jasa atau untuk tujuan administratif; atau dijual dalam kegiatan usaha sehari-hari.

o. Investment Properties

Investment properties are properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the daily business activities.

Properti investasi diakui sebagai aset jika dan hanya jika besar kemungkinan manfaat ekonomis masa depan yang terkait dengan properti investasi akan mengalir ke entitas; dan biaya perolehan properti investasi dapat diukur dengan andal.

Investment property is recognized as an asset when, and only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably.

Properti investasi pada awalnya diukur sebesar biaya perolehan, meliputi harga pembelian dan setiap pengeluaran yang dapat diatribusikan secara langsung (biaya jasa hukum, pajak pengalihan properti, dan biaya transaksi lain). Biaya transaksi termasuk dalam pengukuran awal tersebut.

An investment property shall be measured initially at its cost, comprises its purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). Transaction costs are included in the initial measurement.

Setelah pengakuan awal, Perusahaan dan entitas anak memilih menggunakan model nilai wajar dan mengukur seluruh properti investasi berdasarkan nilai wajar. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar properti investasi diakui dalam laba rugi pada periode terjadinya.

After initial recognition, the Company and its subsidiaries choose to use fair value model and measure all of its investment property at fair value. Any gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

Penentuan nilai wajar investasi didasarkan pada penilaian oleh penilai independen yang mempunyai kualifikasi profesional yang telah diakui dan relevan serta memiliki pengalaman terkini di lokasi dan kategori properti investasi yang dinilai.

The fair value of investment property is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

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Pengalihan ke properti investasi dilakukan jika, dan hanya jika, terdapat perubahan penggunaan yang ditunjukkan dengan berakhirnya pemakaian oleh pemilik dan dimulainya sewa operasi kepada pihak lain.

Pengalihan dari properti investasi dilakukan jika, dan hanya jika, terdapat perubahan penggunaan yang ditunjukkan dengan dimulainya penggunaan oleh pemilik dan dimulainya pengembangan untuk dijual.

Properti investasi dihentikan pengakuannya pada saat dilepaskan atau ketika tidak digunakan lagi secara permanen dan tidak memiliki manfaat ekonomi masa depan yang diperkirakan dari pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian atau pelepasan ditentukan dari selisih antara hasil neto pelepasan dan jumlah tercatat aset, dan diakui dalam laba rugi pada periode terjadinya penghentian atau pelepasan.

p. Investasi pada Entitas Asosiasi dan Ventura Bersama

Investasi pada Entitas Asosiasi

Entitas asosiasi adalah seluruh entitas dimana Perusahaan dan entitas anak memiliki pengaruh signifikan namun bukan pengendalian, biasanya melalui kepemilikan hak suara antara 20% dan 50%. Investasi entitas asosiasi dicatat dengan metode ekuitas. Sesuai metode ekuitas, investasi pada awalnya dicatat pada biaya, dan nilai tercatat akan meningkat atau menurun untuk mengakui bagian investor atas laba rugi. Di dalam investasi Perusahaan dan entitas anak atas entitas asosiasi termasuk *goodwill* yang diidentifikasi ketika akuisisi.

Penghasilan dan aset dan liabilitas dari entitas asosiasi digabungkan dalam laporan keuangan konsolidasian dicatat dengan menggunakan metode ekuitas, kecuali ketika investasi diklasifikasikan sebagai dimiliki untuk dijual, sesuai PSAK 58 (Revisi 2009), Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan. Dalam menerapkan metode

Transfer to investment property made when, and only when, there is a change in use, evidenced by end of owner-occupation and commencement of an operating lease to another party.

Transfer from investment property made when, and only when, there is a change in use, evidenced by commencement of owner-occupation and commencement of development with a view to sale.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period of the retirement or disposal.

p. Investments in Associates and Joint Ventures

Investments in Associates

Associates are all entities over which the Company and its subsidiaries have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or the loss of the investee after the date of acquisition. The Company and its subsidiaries investment in associates includes goodwill identified on acquisition.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when investment is classified as held for sale, in which case, it is accounted for in accordance with SFAS 58 (Revised 2009), Non-Current Assets Held for Sale and Discontinued

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ekuitas, bagian Perusahaan dan entitas anak atas laba rugi atas entitas asosiasi setelah perolehan diakui dalam laba rugi, dan bagian perusahaan atas penghasilan komprehensif lainnya setelah tanggal perolehan diakui dalam penghasilan komprehensif lainnya. Perubahan dan penerimaan distribusi dari entitas asosiasi setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi. Bagian Perusahaan dan entitas anak atas kerugian entitas asosiasi yang melebihi nilai tercatat dari investasi (yang mencakup semua kepentingan jangka panjang, secara substansi, merupakan bagian dari Perusahaan dan nilai investasi bersih entitas anak dalam entitas asosiasi) diakui hanya sebatas bahwa Perusahaan dan entitas anak telah mempunyai kewajiban hukum atau kewajiban konstruktif atau melakukan pembayaran atas kewajiban entitas asosiasi.

Keuntungan yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dengan entitas asosiasi dieliminasi sebesar bagian Perusahaan dan entitas anak dalam entitas asosiasi. Kerugian yang belum direalisasi juga dieliminasi kecuali transaksi tersebut memberikan bukti penurunan nilai atas aset yang ditransfer. Kebijakan akuntansi entitas asosiasi akan disesuaikan, apabila diperlukan, agar konsisten dengan kebijakan akuntansi Perusahaan dan entitas anak.

Pada setiap tanggal pelaporan Perusahaan dan entitas anak menentukan apakah ada bukti objektif bahwa terdapat indikasi penurunan nilai untuk menentukan apakah perlu untuk mengakui penurunan nilai sehubungan dengan investasi pada entitas asosiasi Perusahaan dan entitas anak. Jika terdapat indikasi penurunan nilai, jumlah tercatat investasi yang tersisa (termasuk goodwill) diuji penurunan nilai sesuai dengan PSAK 48 (Revisi 2014), Penurunan Nilai Aset, sebagai suatu aset tunggal dengan membandingkan antara jumlah terpulihkan (mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi biaya untuk menjual) dengan jumlah tercatatnya. Rugi penurunan nilai yang diakui pada

Operations. In applying the equity method of accounting, the Company and its subsidiaries' share of its associate's post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from an associate are adjusted against the carrying amounts of the investment. Losses of the associates in excess of the Company and its subsidiaries' interests in those associates (which includes any long-term interests that, in substance, form part of the Company and its subsidiaries' net investment in the associate) are recognized only to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its subsidiaries and associates are eliminated to the extent of the Company and its subsidiaries interests in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of the associates have been changed when necessary to ensure consistency with the accounting policy adopted by the Company and its subsidiaries.

The Company and its subsidiaries determine at each reporting date whether there is any objective evidence that impairment indicators exist to determine whether it is necessary to recognize any impairment loss with respect to the Company and its subsidiaries' investment in an associate. If impairment indicators exist, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFAS 48 (Revised 2014), Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying

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keadaan tersebut tidak dialokasikan pada setiap aset yang membentuk bagian dari nilai tercatat investasi pada entitas asosiasi. Setiap pembalikan dari penurunan nilai diakui sesuai dengan PSAK 48 sepanjang jumlah terpulihkan dari investasi tersebut kemudian meningkat.

Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas sejak tanggal ketika investasinya berhenti menjadi investasi pada entitas asosiasi sebagai berikut:

- (a) jika investasi menjadi entitas anak.
- (b) jika sisa kepentingan dalam entitas asosiasi merupakan aset keuangan, maka Perusahaan dan entitas anak mengukur sisa kepentingan tersebut pada nilai wajar.
- (c) ketika Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas, Perusahaan dan entitas anak mencatat seluruh jumlah yang sebelumnya telah diakui dalam penghasilan komprehensif lain yang terkait dengan investasi tersebut menggunakan dasar perlakuan yang sama dengan yang disyaratkan jika *investee* telah melepaskan secara langsung aset dan liabilitas terkait.

Ketika Perusahaan dan entitas anak melakukan transaksi dengan entitas asosiasi, keuntungan dan kerugian dieliminasi sebesar kepentingan mereka dalam entitas asosiasi.

Bagian partisipasi dalam ventura bersama
Menurut PSAK 66 (Revisi 2015), pengaturan bersama diklasifikasikan sebagai operasi bersama atau ventura bersama bergantung pada hak dan kewajiban kontraktual para investor. Perusahaan dan entitas anak telah menilai sifat dari pengaturan bersama dan menentukan pengaturan tersebut sebagai ventura bersama.

amount of the investment. Any reversal of that impairment loss is recognized in accordance with SFAS 48 to the extent that the recoverable amount of the investment subsequently increases.

The Company and its subsidiaries discontinue the use of the equity method from the date when its investment ceases to be an associate as follows:

- (a) if the investment becomes a subsidiary.*
- (b) if the retained interest in the former associate is a financial asset, the Company and its subsidiaries measure the retained interest at fair value.*
- (c) when the Company and its subsidiaries discontinue the use of the equity method, the Company and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.*

When the Company and its subsidiaries transact with an associate, profits and losses are eliminated to the extent of their interest in the relevant associate.

Interest in joint ventures
Under SFAS 66 (Revised 2015), investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company and its subsidiaries have assessed the nature of its joint arrangements and determined them to be joint ventures.

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Hasil operasi, aset dan liabilitas dari ventura bersama disajikan dalam laporan keuangan konsolidasian menggunakan metode ekuitas. Dalam menerapkan metode ekuitas, bagian Perusahaan dan entitas anak atas laba rugi atas ventura bersama setelah perolehan diakui dalam laba rugi, dan bagian Perusahaan atas penghasilan komprehensif lain setelah tanggal perolehan diakui dalam penghasilan komprehensif lain. Perubahan dan penerimaan distribusi dari ventura bersama setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi.

Jika bagian Perusahaan dan entitas anak atas rugi ventura bersama sama dengan atau melebihi kepentingannya pada ventura bersama, termasuk piutang tidak lancar tanpa jaminan, maka perusahaan menghentikan pengakuan bagiannya atas rugi lebih lanjut, kecuali Perusahaan dan entitas anak memiliki kewajiban untuk melakukan pembayaran atau telah melakukan pembayaran atas nama ventura bersama.

Penyesuaian dibentuk terhadap laporan keuangan konsolidasian untuk mengeliminasi bagian Perusahaan dan entitas anak atas keuntungan dan kerugian yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dan ventura bersama. Ventura bersama dicatat dengan menggunakan metode ekuitas sampai dengan tanggal dimana Perusahaan dan entitas anak kehilangan pengaturan bersama atas entitas yang diatur bersama.

Kebijakan akuntansi ventura bersama telah diubah jika diperlukan untuk memastikan konsistensi dari kebijakan yang diterapkan oleh Perusahaan dan entitas anak.

Perusahaan dan entitas anak mengukur dan mengakui sisa investasi pada nilai wajar setelah hilangnya pengendalian dan ventura bersama tidak menjadi entitas anak atau entitas asosiasi. Selisih antara nilai tercatat atas hilangnya ventura bersama

The result of operations and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method. In applying the equity method of accounting, the Company and its subsidiaries' share of its joint venture's post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from a joint venture are adjusted against the carrying amounts of the investment.

When the Company and its subsidiaries' share of the losses of a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Company does not recognize further losses, unless it has obligations to make or has made payments on behalf of the joint venture.

Adjustments are made in the consolidated financial statements to eliminate the Company and its subsidiaries' share of unrealized gains and losses on transactions between the Company and its subsidiaries and the joint ventures. The joint ventures are carried at equity method until the date on which the Company and its subsidiaries cease to have joint arrangements over the joint ventures.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company and its subsidiaries.

The Company and its subsidiaries measure and recognize the remaining investment at fair value upon loss of control, provided the joint ventures do not become subsidiaries or associates. Any difference between the carrying amount of

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dengan agregat nilai wajar sisa investasi dan hasil pelepasan diakui pada laba rugi. Ketika sisa investasi mempunyai pengaruh yang signifikan, investasi tersebut dicatat sebagai investasi pada entitas asosiasi.

the joint ventures upon loss of control and the aggregate of the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

q. Aset Takberwujud

i. Biaya Pengembangan Piranti Lunak

Biaya yang terkait dengan pemeliharaan program piranti lunak komputer diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan kepada desain dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Perusahaan dan entitas anak diakui sebagai aset takberwujud. Biaya pengembangan piranti lunak komputer diakui sebagai aset yang diamortisasi dengan metode garis lurus berdasarkan estimasi masa manfaatnya.

q. Intangible Assets

i. Software Development Cost

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company and its subsidiaries are recognized as intangible assets. Computer software development costs recognized as assets are amortized using the straight-line method over their estimated useful life.

ii. Biaya Legal Terkait Pembaruan Hak Atas Tanah

Biaya legal terkait dengan pembaruan hak atas tanah diakui sebagai aset takberwujud dan diamortisasi sepanjang umur hukum hak.

ii. Legal Costs to Renew Land Rights

Legal costs related to renewal of land rights are recognized as intangible assets and amortized over the period of the land rights.

Setelah pengakuan awal, aset takberwujud dicatat pada biaya perolehan dikurangi akumulasi amortisasi dan akumulasi rugi penurunan nilai. Umur manfaat aset takberwujud dinilai apakah terbatas atau tidak terbatas.

After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

Aset takberwujud dengan umur manfaat terbatas

Aset takberwujud dengan umur manfaat terbatas diamortisasi selama umur manfaat ekonomi dengan metode garis lurus (atau metode lainnya sepanjang mencerminkan pola manfaat ekonomis masa depan yang diperkirakan dikonsumsi oleh entitas).

Intangible asset with finite useful life

Intangible asset with finite life is amortized over the economic useful life by using a straight-line method (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity).

Biaya Pengembangan Piranti Lunak diamortisasi dengan tingkat amortisasi sebesar 20% dengan metode garis lurus.

Software Development Cost is amortized with amortization rate of 20% using straight-line method.

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Biaya legal terkait pembaruan hak atas tanah diamortisasi sepanjang mana yang lebih pendek antara masa berlaku hukum hak atau umur ekonomi tanah.

Periode amortisasi dan metode amortisasi untuk aset takberwujud dengan umur manfaat terbatas ditelaah setidaknya setiap akhir tahun buku.

Aset takberwujud dengan umur manfaat tidak terbatas

Aset takberwujud dengan umur manfaat tidak terbatas tidak diamortisasi. Umur manfaat aset takberwujud yang tidak diamortisasi ditelaah setiap tahun untuk menentukan apakah peristiwa dan keadaan dapat terus mendukung penilaian bahwa umur manfaat tetap tidak terbatas. Jika tidak, perubahan umur manfaat dari tidak terbatas menjadi terbatas diterapkan secara prospektif.

Aset takberwujud dengan umur manfaat tidak terbatas diuji untuk penurunan nilai setiap tahun dan kapanpun terdapat suatu indikasi bahwa aset takberwujud mungkin mengalami penurunan nilai.

r. Biaya Dibayar Dimuka

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

s. Kas dan Setara Kas

Untuk tujuan penyajian arus kas, kas dan setara kas terdiri dari kas, bank dan semua investasi yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan tidak dijaminakan serta tidak dibatasi penggunaannya.

Rekening bank dan deposito berjangka dibatasi penggunaannya diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Untuk kebijakan akuntansi pinjaman yang diberikan dan piutang, lihat Catatan 3.g.

t. Persediaan

Persediaan dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan ditentukan dengan metode rata-rata bergerak.

Legal costs to renew land rights are amortized over the validity period of the legal rights or the economic life of the land, whichever the shorter.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible asset with indefinite useful life

Intangible asset with indefinite useful life is not amortized. The useful life of an intangible asset that is not being amortized is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite useful life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

r. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

s. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash in hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

Restricted cash in banks and time deposits are classified as loans and receivables. Refer to Note 3.g for the accounting policy on loans and receivables.

t. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the moving average method.

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Di dalam penentuan nilai realisasi bersih, Perusahaan dan entitas anak tidak menurunkan nilai persediaan yang digunakan untuk produksi tenaga listrik apabila Perusahaan dan entitas anak mampu memperoleh pendapatan penjualan tenaga listrik di atas biaya perolehan persediaan tersebut.

In determining the net realizable values, the Company and its subsidiaries do not write down inventories held in use for production of electricity below their costs when the Company and its subsidiaries are able to sell electricity above the costs of inventories.

**u. Pinjaman dan Utang Obligasi
(Termasuk Sukuk Ijarah)**

Pinjaman dan utang obligasi diklasifikasikan sebagai liabilitas keuangan. Kebijakan akuntansi untuk liabilitas keuangan dijelaskan dalam Catatan 3.h.

**u. Borrowings and Bonds Payable
(Including Sukuk Ijara)**

Borrowings and bonds payable are classified as financial liabilities. Refer to Note 3.h for the accounting policy on financial liabilities.

v. Pengakuan Pendapatan dan Beban

Penjualan Tenaga Listrik

Pendapatan penjualan listrik diakui berdasarkan pemakaian energi listrik (kWh). Beban diakui pada saat terjadinya (dasar akrual).

v. Revenue and Expense Recognition

Sale of Electricity

Revenue from the sale of electricity is recognized based on electricity usage (kWh). Expenses are recognized when incurred (accrual basis).

Subsidi Listrik Pemerintah

Subsidi listrik Pemerintah yang diberikan melalui Perusahaan diakui sebagai pendapatan atas dasar akrual yang dihitung berdasarkan ketentuan Peraturan Menteri Keuangan Republik Indonesia No. 44/PMK.02/2017 yang diperbaharui dengan Peraturan Menteri Keuangan Republik Indonesia No. 162/PMK.02/2017 dan Peraturan Menteri Energi Sumber Daya Mineral ("ESDM") No 28 Tahun 2016 tentang tarif tenaga listrik yang disediakan oleh PT PLN (Persero) yang terakhir diperbaharui dengan Peraturan Menteri ESDM No. 41 Tahun 2017.

The Government's Electricity Subsidy

The Government's electricity subsidy is recognized as revenue on an accrual basis which is computed in accordance with the provisions stipulated in the prevailing Decree of the Minister of Finance of the Republic of Indonesia No. 44/PMK.02/2017 which has been amended by Regulation of The Minister of Finance of the Republic of Indonesia No. 162/PMK.02/2017 and Regulation of the Minister of Energy and Mineral Resources ("ESDM") No. 28 Year 2016 regarding electricity tariff provided by PT PLN (Persero) with the latest amendment by Regulation of the Minister of ESDM No. 41 Year 2017.

Biaya Penyambungan Pelanggan

Perusahaan mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi tersebut.

Customers Connection Fees

The Company recognizes connection fees received from customers that are used to construct or acquire property, plant and equipment to connect the customers to its network as revenues when the Company completes the connection service.

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Pendapatan Usaha Lainnya

Pendapatan usaha lainnya merupakan pendapatan yang berasal dari pelayanan jaringan dan jasa telekomunikasi, sewa trafo dan jasa-jasa administratif lainnya. Pendapatan lainnya diakui dengan mengacu pada tingkat penyelesaian transaksi tersebut pada tanggal pelaporan.

Pendapatan Bunga

Pendapatan bunga diakui pada saat terjadinya dengan dasar akrual, dengan acuan jumlah pokok terutang dan tingkat bunga yang berlaku.

Beban

Beban diakui pada saat terjadinya dengan dasar akrual.

w. Pembelian Tenaga Listrik

Dalam PPA dan ESC dengan IPP, Perusahaan dan entitas anak membayar pasokan tenaga listrik yang disediakan oleh IPP sebesar jumlah yang ditentukan berdasarkan formula pembayaran. Pembayaran tersebut mencakup komponen biaya berbeda yaitu komponen kapasitas dan energi untuk PPA, komponen sumber daya dan pembangkitan untuk ESC, komponen operasional dan pemeliharaan yang tergantung pada tingkat pasokan energi serta variabel lain yang ditentukan dalam perjanjian.

Sebelum 1 Januari 2016, Perusahaan dan entitas anak menerapkan ISAK 8 dan mengevaluasi apakah PPA dan ESC dengan IPP mengandung unsur sewa. Apabila terdapat unsur sewa, maka Perusahaan dan entitas anak melakukan kajian untuk menentukan apakah sewa tersebut diklasifikasikan sebagai sewa pembiayaan atau sewa operasi (Catatan 3.I). Jika PPA dan ESC dengan IPP tidak mengandung sewa, maka biaya pembelian tenaga listrik dari IPP diakui pada saat terjadinya dan disajikan sebagai beban pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Other Revenues

Other revenues consist of telecommunication network and services, transformer rental and other administrative services. Other revenue is recognized with reference to the stage of completion of the transaction at the reporting date.

Interest Income

Interest income is recognized as incurred on an accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized as incurred on an accrual basis.

w. Purchase of Electricity

Under PPAs and ESCs with IPPs, the Company and its subsidiaries pay the IPP for the supply of energy at an amount determined in accordance with the payment formula in which payment for different cost components, such as capacity and energy components for the PPA, resource and generation components for the ESC, as well as operations and maintenance components, depends on the level of energy supplied and other variables stipulated in the agreement.

Before January 1, 2016, the Company and its subsidiaries implemented ISFAS 8 and evaluated whether PPAs with IPPs contain a lease. When a lease is identified, the Company and its subsidiaries perform assessment on whether such lease is classified as finance lease or operating lease (Note 3.I). If PPA and ESC with IPP does not contain a lease, the cost of electricity purchases from IPPs are recognized when incurred as purchased electricity expense and presented in consolidated statements of profit or loss and other comprehensive income.

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**Perlakuan akuntansi sejak
1 Januari 2016**

Penerapan POJK No.6 secara prospektif sejak 1 Januari 2016, mengakibatkan seluruh transaksi berdasarkan PPA dan ESC dengan IPP diperlakukan sebagai transaksi jual beli, meskipun dalam transaksi tersebut mengandung substansi selain jual beli. Biaya pembelian tenaga listrik dari IPP diakui pada saat terjadinya dan disajikan sebagai beban pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian (Catatan 2.a).

**Accounting treatment since
January 1, 2016**

The prospective implementation of POJK No.6 since January 1, 2016 resulted in all transactions based on PPAs and ESCs with IPPs are treated as sale and purchase transactions, regardless those transactions contain substances other than sale and purchase. The cost of electricity purchases from IPPs are recognized when incurred as purchased electricity expense and presented in consolidated statements of profit or loss and other comprehensive income (Note 2.a).

x. Imbalan Kerja

Imbalan Pascakerja

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Perusahaan dan entitas anak juga memberikan imbalan pascakerja lain tanpa pendanaan kepada karyawan yang memenuhi persyaratan sesuai dengan kebijakan Perusahaan dan entitas anak.

Sehubungan dengan program imbalan pasti, liabilitas diakui pada laporan posisi keuangan sebesar nilai kini kewajiban imbalan pasti pada akhir periode pelaporan dikurangi nilai wajar aset program. Kewajiban imbalan pasti dihitung setiap tahun oleh aktuaris yang independen dengan menggunakan metode *Projected Unit Credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan arus kas keluar yang diestimasi dengan menggunakan tingkat bunga Obligasi Pemerintah (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) yang didenominasikan dalam mata uang dimana imbalan akan dibayarkan dan memiliki jangka waktu jatuh tempo mendekati jangka waktu kewajiban pensiun.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui penghasilan komprehensif lain pada saat terjadinya.

x. Employee Benefits

Post-employment Benefits

The Company and its subsidiaries have established a defined benefit pension plan covering all of their eligible permanent employees. The Company and its subsidiaries also provide other unfunded defined post-employment benefit plans for their qualifying employees based on the Company and its subsidiaries' policies.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the *Projected Unit Credit Method*. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions charged or credited to equity in other comprehensive income in the period in which they arise.

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Biaya jasa lalu diakui segera dalam laba rugi.

Past-service costs are recognized immediately in profit or loss.

Imbalan Kerja Jangka Panjang

Perhitungan imbalan kerja jangka panjang ditentukan dengan menggunakan *Projected Unit Credit*. Biaya jasa lalu diakui segera dalam laba rugi. Perusahaan dan entitas anak mengakui keuntungan dan kerugian atas kurtailmen atau penyelesaian suatu program imbalan pasti ketika kurtailmen atau penyelesaian tersebut terjadi. Keuntungan atau kerugian atas kurtailmen atau penyelesaian program manfaat pasti diakui di laba rugi ketika kurtailmen atau penyelesaian tersebut terjadi.

Long-term Benefits

Long-term benefits are determined using the Projected Unit Credit Method. Past service costs are recognized immediately in profit or loss. The Company and its subsidiaries recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement of a defined benefit plan is recognized in profit or loss when the curtailment or settlement occurs.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui penghasilan komprehensif lain periode terjadinya.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions charged to other comprehensive income in the periode in which they occur.

Jumlah yang diakui sebagai liabilitas imbalan kerja jangka panjang di laporan posisi keuangan konsolidasian merupakan nilai kini liabilitas imbalan kerja pasti.

The long-term employee benefits liabilities recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

y. Provisi

Provisi diakui ketika Perusahaan dan entitas anak memiliki kewajiban kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu, kemungkinan besar Perusahaan dan entitas anak diharuskan menyelesaikan kewajiban dan estimasi andal mengenai jumlah kewajiban tersebut dapat dibuat.

y. Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event and it is probable that the Company and its subsidiaries will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Jumlah yang diakui sebagai provisi merupakan estimasi terbaik dari pertimbangan yang diperlukan untuk menyelesaikan kewajiban kini pada akhir periode pelaporan, dengan mempertimbangkan risiko dan ketidakpastian yang meliputi kewajibannya. Apabila suatu provisi diukur menggunakan arus kas yang diperkirakan untuk menyelesaikan kewajiban kini, maka nilai tercatatnya adalah nilai kini dari arus kas.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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Ketika beberapa atau seluruh manfaat ekonomi untuk penyelesaian provisi yang diharapkan dapat dipulihkan dari pihak ketiga, piutang diakui sebagai aset apabila terdapat kepastian bahwa penggantian akan diterima dan jumlah piutang dapat diukur secara andal.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

z. Pajak Penghasilan

Beban pajak adalah jumlah gabungan pajak kini dan pajak tangguhan yang diperhitungkan dalam menentukan laba rugi pada suatu periode. Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku.

z. Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Pajak kini dan pajak tangguhan diakui sebagai beban atau penghasilan dalam laba rugi, kecuali sepanjang pajak penghasilan yang berasal dari transaksi atau kejadian yang diakui, diluar laba rugi (baik dalam pendapatan komprehensif lain maupun secara langsung di ekuitas), dalam hal tersebut pajak juga diakui di luar laporan laba rugi atau yang timbul dari akuntansi awal atau kombinasi bisnis. Dalam kasus kombinasi bisnis, pengaruh pajak termasuk dalam akuntansi kombinasi bisnis.

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Untuk pendapatan yang menjadi subjek pajak penghasilan final, beban pajak diakui secara proporsional dengan jumlah pendapatan akuntansi yang diakui dan disajikan dalam sebagai bagian dari akun beban operasional pada tahun berjalan dikarenakan pajak tersebut tidak memenuhi kriteria sebagai pajak penghasilan.

For income which is subject to final tax, tax expenses are recognized proportionally with the accounting revenue recognized and presented as part of the operating expenses account in the current year as such tax does not satisfy the criteria of income tax.

Jumlah pajak kini untuk periode berjalan dan periode sebelumnya yang belum dibayar diakui sebagai liabilitas. Jika jumlah pajak yang telah dibayar untuk periode berjalan dan periode-periode sebelumnya melebihi jumlah pajak yang terutang untuk periode tersebut, maka kelebihanannya diakui sebagai aset. Liabilitas (aset) pajak kini untuk periode berjalan dan periode sebelumnya diukur sebesar jumlah yang diperkirakan akan dibayar kepada (direstitusi dari) otoritas perpajakan, yang

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amounts already paid in respect of current and prior periods exceed the amounts due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or

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dihitung menggunakan tarif pajak (dan undang-undang pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

Manfaat terkait dengan rugi pajak yang dapat ditarik untuk memulihkan pajak kini dari periode sebelumnya diakui sebagai aset. Aset pajak tangguhan diakui untuk akumulasi rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk dimanfaatkan dengan rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan.

Seluruh perbedaan temporer kena pajak diakui sebagai liabilitas pajak tangguhan, kecuali perbedaan temporer kena pajak yang berasal dari:

- a) pengakuan awal *goodwill*; atau
- b) pengakuan awal aset atau liabilitas dari transaksi yang bukan kombinasi bisnis dan pada saat transaksi tidak mempengaruhi laba akuntansi atau laba kena pajak (rugi pajak).

Aset dan liabilitas pajak tangguhan diakui atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan konsolidasian dengan dasar pengenaan pajak aset dan liabilitas. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diekspektasikan berlaku dalam periode ketika liabilitas diselesaikan atau aset dipulihkan dengan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a) the initial recognition of goodwill; or*
- b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).*

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

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Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Perusahaan dan entitas anak ekspektasikan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

The measurement of deferred tax assets and deferred tax liabilities reflects the consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Jumlah tercatat aset pajak tangguhan dikaji ulang pada akhir periode pelaporan dan dikurangi jumlah tercatatnya jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Aset dan liabilitas pajak tangguhan saling hapus, jika dan hanya jika, ketika entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini dan ketika aset pajak tangguhan dan ketika liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama serta Perusahaan dan entitas anak yang berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan dimana jumlah signifikan atas aset atau liabilitas pajak tangguhan diperkirakan untuk diselesaikan atau dipulihkan.

Deferred tax assets and liabilities are offset, if and only if, when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and its subsidiaries intend to settle their current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

aa. Aset Donasi dari Pemerintah

Aset donasi dari Pemerintah, dalam kapasitasnya sebagai pemegang saham Perusahaan, diakui sebagai transaksi ekuitas dengan pemegang saham. Aset yang didonasikan tersebut dicatat sesuai dengan nilai transaksi yang telah disepakati dengan Pemerintah. Perusahaan mencatat aset donasi dari Pemerintah sebagai penambahan aset tetap dan peningkatan tambahan modal disetor oleh pemegang saham.

aa. Government Contributed Assets

Assets contributed by the Government, in their capacity as a shareholder of the Company, are accounted for as an equity transaction with the shareholder. The assets are recorded at the transaction costs agreed with the Government. The Company records the Government contributed asset as an addition to property, plant and equipment with a corresponding increase to additional payment in capital by the shareholder.

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bb. Aset dan Liabilitas Pengampunan Pajak

Aset Pengampunan Pajak dan Liabilitas Pengampunan Pajak diakui pada saat Surat Keterangan Pengampunan Pajak ("SKPP") diterbitkan oleh Menteri Keuangan Republik Indonesia, dan tidak diakui secara neto (saling hapus). Selisih antara Aset Pengampunan Pajak dan Liabilitas Pengampunan Pajak diakui sebagai Tambahan Modal Disetor.

Aset Pengampunan Pajak pada awalnya diakui sebesar nilai yang disetujui dalam SKPP.

Liabilitas Pengampunan Pajak pada awalnya diakui sebesar nilai kas dan setara kas yang masih harus dibayarkan oleh Perusahaan sesuai kewajiban kontraktual atas perolehan Aset Pengampunan Pajak.

Uang tebusan yang dibayarkan oleh Perusahaan untuk memperoleh pengampunan pajak diakui sebagai beban pada periode dimana SKPP diterima oleh Perusahaan.

Setelah pengakuan awal, Aset dan Liabilitas Pengampunan Pajak diukur sesuai dengan SAK yang relevan sesuai dengan klasifikasi masing-masing Aset dan Liabilitas Pengampunan Pajak.

Sehubungan dengan Aset dan Liabilitas Pengampunan Pajak yang diakui, Perusahaan dan entitas anak telah mengungkapkan dalam laporan keuangannya:

- a. Tanggal SKPP;
- b. Jumlah yang diakui sebagai Aset Pengampunan Pajak sesuai SKPP; dan
- c. Jumlah yang diakui sebagai Liabilitas Pengampunan Pajak.

cc. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang diatribusikan kepada pemilik induk dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

bb. Tax Amnesty Assets and Liabilities

Tax Amnesty Assets and Liabilities are recognized upon the issuance of Tax Amnesty Approval Letter ("TAAL") by the Minister of Finance of Republic of Indonesia, and they are not recognized as net amount (offset). The difference between Tax Amnesty Assets and Tax Amnesty Liabilities are recognized as Additional Paid-in Capital.

Tax Amnesty Assets are initially recognized at the value stated in TAAL.

Tax Amnesty Liabilities are initially measured at the amount of cash or cash equivalents to be settled by the Company according to the contractual obligation with respect to the acquisition of respective Tax Amnesty Assets.

The compensation paid by the Company to obtain the tax amnesty is recognized as expense in the period in which the Company receives TAAL.

After initial recognition, Tax Amnesty Assets and Liabilities are measured in accordance with respective relevant FAS according to the classification of each Tax Amnesty Assets and Liabilities.

With respect to Tax Amnesty Assets and Liabilities recognized, the Company and its subsidiaries have disclosed the following in its financial statements:

- a. The date of TAAL;*
- b. Amount recognized as Tax Amnesty Assets in accordance with TAAL; and*
- c. Amount recognized as Tax Amnesty Liabilities.*

cc. Earnings per Share

Basic earnings per share are computed by dividing income for the year attributable to the owners of the Company by the weighted average number of shares outstanding during the year.

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Laba per saham dilusian dihitung dengan menyesuaikan jumlah rata-rata tertimbang saham biasa yang beredar dengan dampak dari semua efek berpotensi saham biasa yang dilutif yang dimiliki perusahaan. Perusahaan tidak memiliki efek berpotensi saham biasa yang dilutif.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares owned by the Company. The Company does not have any dilutive potential ordinary shares.

dd. Informasi Segmen

Segmen operasi diidentifikasi berdasarkan laporan internal mengenai komponen dari Perusahaan dan entitas anak yang secara reguler direviu oleh "pengambil keputusan operasional" dalam rangka mengalokasikan sumber daya dan menilai kinerja segmen operasi.

dd. Segment Information

Operating segments are identified on the basis of internal reports about components of the Company and its subsidiaries and are regularly reviewed by the "chief operating decision maker" in order to allocate resources to the segments and to assess their performances.

Segmen yang dilaporkan adalah segmen operasi individual atau suatu grup segmen operasi yang informasi segmennya harus dilaporkan secara terpisah. Penggabungan satu atau lebih segmen operasi diperbolehkan ketika memenuhi kriteria tertentu, kriteria utama yang harus dipenuhi adalah segmen operasi harus memiliki karakteristik ekonomis yang sejenis (contoh margin keuntungan, persebaran, tingkat pertumbuhan penjualan, dll). Pertimbangan signifikan diperlukan ketika menentukan penggabungan segmen operasi.

Reportable segments are individual operating segments or a group of operating segments for which segment information must be separately reported. Aggregation of one or more operating segments into a single reportable segment is permitted (but not required) where certain conditions are met, the principal condition being that the operating segments should have similar economic characteristics (for example, profit margin, spreads, sales growth rates, etc). Whether multiple operating segments can be aggregated into a single reportable segment is a matter of significant judgement.

Wilayah Jawa Bagian Barat, Jawa Bagian Tengah dan Jawa Bagian Timur digabungkan sebagai satu segmen operasi dikarenakan memiliki karakteristik konsumen yang sejenis.

West Part of Java Area, Central Part of Java Area and East Part of Java Area is aggregated as a single reportable segment due to similarity the consumer's characteristic.

Informasi yang digunakan oleh pengambil keputusan operasional dalam rangka alokasi sumber daya dan penilaian kinerja mereka dikategorikan berdasarkan lokasi geografis di mana penjualan tenaga listrik dilakukan.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of their performance is grouped based on the geographical location of where electricity sales are made.

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**4. Pertimbangan Kritis Akuntansi dan Estimasi
Akuntansi yang Signifikan**

Dalam rangka penerapan kebijakan akuntansi Perusahaan dan entitas anak, sebagaimana dijelaskan dalam Catatan 3, manajemen diharuskan untuk membuat pertimbangan, estimasi dan asumsi tentang nilai aset dan liabilitas yang tidak tersedia dari sumber lain. Estimasi dan asumsi berdasarkan pengalaman historis dan faktor lain yang dianggap relevan. Hasil aktual dapat berbeda dari estimasi tersebut.

Estimasi dan asumsi yang mendasari direviu secara berkelanjutan. Revisi terhadap estimasi akuntansi akan diakui pada periode dimana estimasi tersebut direvisi, jika revisi tersebut hanya berpengaruh terhadap periode tersebut, atau pada periode revisi dan periode berikutnya jika revisi tersebut mempengaruhi periode tersebut.

**Pertimbangan Kritis dalam Penerapan
Kebijakan Akuntansi**

Dalam proses penerapan kebijakan akuntansi yang dijelaskan dalam Catatan 3, Perusahaan dan entitas anak telah menentukan hal-hal berikut yang memerlukan pertimbangan signifikan:

Nilai Wajar Pembangkit Listrik Di Dalam Sewa
Pembiayaan

Sejumlah aset tetap dicatat berdasarkan sewa pembiayaan menurut PSAK 30. Pada saat dimulainya sewa, Perusahaan mengakui aset dan liabilitas sewa pembiayaan sebesar nilai wajar pembangkit listrik yang disewa atau, jika lebih rendah, nilai kini dari pembayaran sewa minimum, yang ditentukan pada awal masa sewa.

Perusahaan menetapkan nilai wajar dari pembangkit listrik yang disewa dengan menerapkan teknik penilaian yang sesuai dan asumsi-asumsi yang memadai, termasuk estimasi biaya yang perlu dikeluarkan untuk membangun pembangkit listrik terkait, suku bunga implisit dalam sewa dan nilai sisa aset pada masa akhir kontrak. Perubahan-perubahan selanjutnya atas asumsi yang

**4. Critical Accounting Judgments and
Significant Accounting Estimates**

In the application of the Company and its subsidiaries' accounting policies, which are described in Note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgments in Applying Accounting
Policies**

In the process of applying the accounting policies described in Note 3, the Company and its subsidiaries have identified the following matters under which significant judgments are made:

Fair Value of Power Plants Held Under Finance
Leases

A number of property, plant and equipment are recorded based on finance lease arrangement, in accordance with SFAS 30. At the commencement of the lease, the Company recognizes the finance leased asset and liability at an amount equal to the fair value of the power plant or, if lower, the present value of the minimum lease payments, determined at the inception of the lease.

The Company determined the fair value of the finance leased power plant by applying the appropriate valuation techniques and assumptions, including the expected cost to build the power plant, the implicit interest rate of the lease and the residual value of the asset at the end of the contract. Any subsequent changes to the assumptions used to measure fair value at inception do not affect the

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digunakan untuk menentukan nilai wajar pada awal masa sewa tidak akan merubah nilai aset pembiayaan di masa mendatang.

subsequent measurement amount of the leased asset.

Biaya Penyambungan Pelanggan

Perusahaan dan entitas anak mempertimbangkan semua fakta dan kondisi yang relevan untuk menentukan pengakuan pendapatan terkait biaya penyambungan pelanggan. Untuk itu, Perusahaan perlu menentukan kewajiban yang timbul sehubungan dengan penerimaan biaya penyambungan dari pelanggan.

Revenues from Customers' Connection Fees

The Company and its subsidiaries have considered all relevant facts and circumstances to determine the exact timing of revenue recognition pertaining to connection fees paid by customers. To do so, the Company needs to determine what performance obligations it has as a result of receiving connection fees.

Perusahaan dan entitas anak mempertimbangkan fakta bahwa kewajiban untuk menyediakan tenaga listrik secara berkelanjutan diatur dalam Undang-Undang Ketenagalistrikan tahun 2009 dan semua pelanggan dikenakan tarif listrik yang telah ditentukan oleh Pemerintah Republik Indonesia untuk penggunaan tenaga listrik (terlepas dari jumlah biaya penyambungan yang dibayarkan). Oleh karena itu, penerimaan biaya penyambungan tidak menimbulkan kewajiban terpisah bagi Perusahaan dan entitas anak untuk menyediakan akses listrik secara berkelanjutan kepada pelanggan.

The Company and its subsidiaries considered the facts that the obligation to provide ongoing supply of electricity is regulated by the 2009 Electricity Law and that the Company charges all customers the same regulated tariff for electricity usage prescribed by the Government of Republic of Indonesia (regardless of the amount of connection fees paid by the customers). Therefore, the receipt of connection fees does not create a separate performance obligation for the Company and its subsidiaries to provide ongoing electricity supply to its customers.

Perusahaan dan entitas anak menyimpulkan bahwa menghubungkan pelanggan ke jaringan listrik Perusahaan merupakan jasa yang diberikan untuk mendapatkan biaya penyambungan dari pelanggan. Jasa koneksi diserahkan kepada pelanggan dan merepresentasikan nilai yang berdiri sendiri (*stand-alone value*) untuk pelanggan tersebut. Sebagai hasilnya, Perusahaan dan entitas anak mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi terkait.

The Company and its subsidiaries conclude that connecting the customers to its network is the only service to be delivered in exchange for the connection fees. A service connection is delivered to the customer and represents stand-alone value for that customer. Consequently, the Company and its subsidiaries recognize connection fees received from customers that are used to construct or acquire property, plant and equipment to connect the customers to its network as revenues when the Company completes the connection services.

Kepentingan dalam Pengaturan Bersama

Pertimbangan diperlukan untuk menentukan ketika Perusahaan dan entitas anak memiliki pengendalian bersama, yang membutuhkan penilaian mengenai aktivitas yang relevan dan ketika keputusan yang berkaitan dengan aktivitas tersebut membutuhkan persetujuan dengan suara bulat. Perusahaan dan entitas

Interest in Joint Arrangements

Judgement is required to determine when the Company and its subsidiaries have joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company and its subsidiaries' have determined that the relevant activities for

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anak menentukan bahwa aktivitas yang relevan untuk pengaturan bersama adalah aktivitas yang berkaitan dengan operasi dan pengambilan keputusan dalam pengaturan tersebut.

Pertimbangan juga diperlukan untuk mengklasifikasikan pengaturan bersama sebagai pengendalian bersama atau ventura bersama. Pengklasifikasian pengaturan tersebut mengharuskan Perusahaan dan entitas anak untuk menilai hak dan kewajiban yang timbul dari pengaturan tersebut. Secara khusus, Perusahaan dan entitas anak mempertimbangkan:

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Perusahaan dan entitas anak juga mempertimbangkan hak dan kewajiban yang timbul dari:
 - Bentuk legal dari kendaraan terpisah;
 - Persyaratan dari perjanjian kontraktual; dan
 - Fakta dan kondisi lain (ketika relevan).

Penilaian ini sering membutuhkan pertimbangan yang signifikan dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Perusahaan dan entitas anak memiliki pengaturan bersama yang terstruktur melalui ventura bersama, yaitu PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekind Daya Mamuju, PT Unelec Indonesia, PT Crompton Prima Switchgear Indonesia, PT Shenhua Guohua Pembangkitan Jawa Bali, PT Guohua Taidian Pembangkitan Jawa Bali, PT GCL Indotenaga, PT North Sumatera Hydro Energy dan PT Indo Raya Tenaga. Struktur dan persyaratan dari perjanjian kontraktual mengindikasikan bahwa Perusahaan dan entitas anak memiliki hak atas aset bersih dari pengaturan bersama tersebut. Perusahaan dan entitas anak menilai fakta dan kondisi lain yang berkaitan dengan

its joint arrangements are those relating to the operating and capital decisions of the arrangement.

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Company and its subsidiaries to assess its rights and obligations arising from the arrangement. Specifically, it considers:

- *The structure of the joint arrangement - whether it is structured through a separate vehicle*
- *When the arrangement is structured through a separate vehicle, the Company and its subsidiaries also considers the rights and obligations arising from:*
 - *The legal form of the separate vehicle;*
 - *The terms of the contractual arrangement; and*
 - *Other facts and circumstances (when relevant).*

This assessment often requires significant judgement and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Company and its subsidiaries have joint arrangements which are structured through joint ventures, namely PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekind Daya Mamuju, PT Unelec Indonesia, PT Crompton Prima Switchgear Indonesia, PT Shenhua Guohua Pembangkitan Jawa Bali, PT Guohua Taidian Pembangkitan Jawa Bali, PT GCL Indotenaga, PT North Sumatera Hydro Energy and PT Indo Raya Tenaga. These structure and the terms of the contractual arrangement indicate that the Company and its subsidiaries have rights to the net assets of the arrangements. The Company and its subsidiaries also assessed the other facts and circumstances relating to these

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pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama (Catatan 8).

arrangements and the final conclusions were that the arrangement was joint ventures (Note 8).

Sumber Ketidakpastian Estimasi

Asumsi utama mengenai masa depan dan sumber estimasi lainnya pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan dibawah ini:

Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Rugi Penurunan Nilai Pinjaman Diberikan dan Piutang

Perusahaan dan entitas anak menilai penurunan nilai pinjaman diberikan dan piutang pada setiap tanggal pelaporan. Dalam menentukan apakah rugi penurunan nilai harus dicatat dalam laba rugi, manajemen membuat penilaian, apakah terdapat bukti objektif bahwa kerugian telah terjadi. Manajemen juga membuat penilaian atas metodologi dan asumsi untuk memperkirakan jumlah dan waktu arus kas masa depan yang direviu secara berkala untuk mengurangi perbedaan antara estimasi kerugian dan kerugian aktualnya. Nilai tercatat pinjaman diberikan dan piutang diungkapkan dalam Catatan 14 dan 16.

Impairment Loss on Loans and Receivables

The Company and its subsidiaries assess their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes a judgement as to whether there is an objective evidence that the loss event has occurred. Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Notes 14 and 16.

Taksiran Masa Manfaat Ekonomis Aset Tetap dan Properti Investasi

Nilai tercatat aset tetap dan properti investasi diungkapkan dalam Catatan 6 dan 7.

Estimated Useful Lives of Property, Plant and Equipment and Investment Properties

The carrying amounts of property, plant and equipment and investment properties are disclosed in Notes 6 and 7, respectively.

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan nilai tercatat aset tetap.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and the carrying values of property, plant and equipment.

Nilai Wajar Aset Tetap dan Properti Investasi yang Menggunakan Model Revaluasi

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi dari model biaya menjadi model revaluasi untuk kelas aset tertentu. Pelaksanaan revaluasi aset tetap tersebut dilakukan oleh penilai publik independen.

Fair Value of Property, Plant and Equipment and Investment Properties That Use Revaluation Model

On December 31, 2015, the Company and its subsidiaries changed their accounting policy from cost model to revaluation model for certain class of assets. The property, plant and equipment revaluation was performed by an independent public valuer.

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Dalam proses penilaian, manajemen, dengan bantuan penilai publik independen, menentukan data dan asumsi, menelaah metode penilaian serta berdiskusi dengan penilai. Pendekatan dan metode yang digunakan dalam melakukan revaluasi tergantung pada kelas aset. Walaupun data dan asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada data input atau asumsi yang digunakan dapat berpengaruh secara signifikan terhadap nilai aset yang menggunakan model revaluasi.

Rincian dari pendekatan dan data input signifikan yang digunakan dalam melakukan revaluasi aset tetap dan properti investasi diungkapkan masing-masing dalam Catatan 6 dan 7.

Imbalan Pascakerja

Penentuan liabilitas imbalan pascakerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan dan entitas anak diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui di masa mendatang. Walaupun asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pascakerja Perusahaan dan entitas anak.

Asumsi yang digunakan untuk perhitungan liabilitas imbalan pascakerja diungkapkan dalam Catatan 49.

Pajak Penghasilan

Perhitungan beban pajak penghasilan Perusahaan dan entitas anak memerlukan pertimbangan dan asumsi dalam menentukan pengurangan beban tertentu selama proses pengestimasian. Semua pertimbangan dan estimasi yang dibuat manajemen dapat dipertanyakan oleh Direktorat Jenderal Pajak ("DJP"). Sebagai akibatnya, terjadi ketidakpastian dalam penentuan pajak.

Management, with the assistance of independent public valuer, determines the data inputs and assumption, assesses valuation method and hold discussions with the valuers as part of the valuation process. The approaches and methods used in the revaluation depend on the assets class. While it is believed that the Company and its subsidiaries' data and assumptions are reasonable and appropriate, significant changes in data inputs or significant changes in assumptions may materially affect the value of assets that use revaluation model.

Detail of valuation approach and significant data input used in the revaluation property, plant and equipment and investment properties are disclosed in Notes 6 and 7, respectively.

Post-employment Benefits

The determination of the post-employment benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company and its subsidiaries' assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and liabilities recorded in such future periods. While it is believed that the Company and its subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company and its subsidiaries' post-employment benefit.

Assumptions used in the calculation of post-employment benefit are disclosed in Note 49.

Income Taxes

The calculations of income tax expense for the Company and its subsidiaries require judgements and assumptions in determining the deductibility of certain expenses during the estimation process. All judgement and estimates made by management may be challenged by the Directorate General of Taxation ("DGT"). As a result, the ultimate tax determination becomes uncertain. The

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Resolusi posisi pajak yang diambil oleh Perusahaan dan entitas anak, melalui negosiasi dengan otoritas pajak yang relevan dapat berlangsung bertahun-tahun dan sangat sulit untuk memprediksi hasil akhirnya. Apabila terdapat perbedaan perhitungan pajak dengan jumlah yang telah dicatat, perbedaan tersebut akan berdampak pada pajak penghasilan dan pajak tangguhan dalam tahun dimana penentuan pajak tersebut dibuat.

resolution of tax positions taken by the Company and its subsidiaries, through negotiations with the relevant tax authorities can take several years to complete and in some cases it is difficult to predict the ultimate outcome. Where the final outcome of these matters is different from the amounts initially recorded, such differences will have an impact on the income tax and deferred income tax provision in the year in which this determination is made.

Aset pajak tangguhan, termasuk yang timbul dari rugi fiskal dan perbedaan temporer, diakui apabila dianggap lebih mungkin daripada tidak bahwa mereka dapat diterima kembali, dimana hal ini tergantung pada kecukupan pembentukan laba kena pajak di masa depan. Asumsi atas pembentukan laba kena pajak sangat dipengaruhi oleh estimasi dan asumsi manajemen atas tingkat penjualan dan biaya-biaya terkait yang terdapat risiko ketidakpastian, sehingga ada kemungkinan perubahan estimasi dan asumsi tersebut akan mengubah proyeksi laba kena pajak di masa mendatang.

Deferred tax assets, including those arising from tax losses carried forward and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. The assumptions about the generation of future taxable profits are heavily affected by management's estimates of the expected sales level and the associated costs which are subject to risk and uncertainty and hence there is a possibility that changes in circumstances will alter the projected future taxable profits.

5. Entitas Anak

Perusahaan memiliki saham entitas anak baik langsung maupun tidak langsung sebagai berikut:

5. Subsidiaries

The Company has ownership interests, directly or indirectly, in the following subsidiaries:

Entitas Anak/ Subsidiaries	Domisili/ Domicile	Jenis usaha/ Nature of business	Persentase pemilikan/ Percentage of ownership		Tahun operasi komersial/ Year of commercial operation	Jumlah aset sebelum eliminasi **/ Total assets before elimination **)	
			2017 %	2016 %		2017 Rp	2016 Rp
PT Indonesia Power (IP) dan entitas anak/ and subsidiaries	Jakarta	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	1995	218,339	220,755
PT Cogindo DayaBersama (CDB) *)	Jakarta	Cogeneration, pemasok energi, jasa pelayanan dan manajemen/ Cogeneration, energy distribution, energy service and management	99.99	99.99	1999	1,043	915
PT Artha Daya Coalindo (ADC) *)	Jakarta	Perdagangan batu bara/ Coal trading	80.00	80.00	1998	378	182
PT Indo Ridlatama Power (IRP) *)	Kutai	Pembangkitan tenaga listrik/ Power generation	90.00	93.96	***)	1,187	607
PT Indo Tenaga Hijau (ITH) *)	Jakarta	Pengembangan energi baru dan terbarukan/ Development of new and renewable energy	95.21	95.21	***)	82	84
PT Putra Indotena (PTI) *)	Jakarta	Ketenagalistrikan dan energi/ Electricity and energy	99.99	99.99	2016	711	417

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Entitas Anak/ Subsidiaries	Domisili/ Domicile	Jenis usaha/ Nature of business	Persentase kepemilikan/ Percentage of ownership		Tahun operasi komersial/ Year of commercial operation	Jumlah aset sebelum eliminasi **)/ Total assets before elimination **)	
			2017 %	2016 %		2017 Rp	2016 Rp
PT Pembangkitan Jawa-Bali (PJB) dan entitas anak/ and subsidiaries	Surabaya	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	1995	193,321	191,738
PT PJB Services (PJS) *) dan entitas anak/ and subsidiaries	Surabaya	Jasa/ Service	98.00	98.00	2001	998	985
PT Mitra Karya Prima (MKP) *)	Surabaya	Jasa/ Service	92.00	92.00	2013	89	69
PT Sertifikasi Kompetensi Pembangkitan Tenaga Listrik *)	Jakarta	Jasa/ Service	95.00	95.00	2015	4	2
PT Rekadaya Elektrika (RE) *) dan entitas anak/ and subsidiary	Jakarta	Jasa listrik dan engineering/ Electricity and engineering	98.90	98.90	2004	1,130	981
PT Rekadaya Elektrika Consult (REC) *)	Jakarta	Supervisi dan konsultasi/ Supervision and consultation	99.80	99.80	2011	147	87
PT Navigat Innovative Indonesia (NI) *)	Palembang	Perdagangan, konstruksi, pertambangan dan pertanian/ Trading, construction, mining and agriculture	72.97	72.97	***)	287	220
PT PJB Investasi (PJI) *)	Jakarta	Ketenagalistrikan/ Electricity	99.99	99.99	2016	3,036	327
PT Pelayanan Listrik Nasional Batam (PLN Batam) dan entitas anak/ and subsidiary	Batam	Penyedia tenaga listrik/ Electricity supplier	99.99	99.99	2000	19,027	16,138
PT Pelayanan Energi Batam (PEB)	Batam	Pembangunan pipa gas dan energi lainnya/ Construction of gas pipeline and other energy sector	99.99	99.90	2016	845	821
PT Indonesia Comnets Plus (ICCN)	Jakarta	Jasa penyedia jaringan telekomunikasi/ Telecommunication provider	99.99	99.99	2000	2,606	2,296
PT Prima Layanan Nasional Engineering (PLNE) dan entitas anak/ and subsidiary	Jakarta	Jasa engineering, pengadaan dan konstruksi/ Engineering, procurement and construction	99.90	99.90	2003	1,030	878
PT Prima Power Nusantara (PPN)	Jakarta	Jasa engineering, pengadaan dan konstruksi/ Engineering, procurement and construction	99.99	99.99	2017	117	45
PT Pelayanan Listrik Nasional Tarakan (PLN Tarakan) dan entitas anak/ and subsidiary	Tarakan	Jasa pemeliharaan dan operasi/ Maintenance and operation	99.97	99.97	2004	304	350
PT Paguntaka Cahaya Nusantara (PCN) *)	Balikpapan	Jasa pemeliharaan dan operasi/ Maintenance and operation	99.96	--	***)	2	--
Majapahit Holding B.V. (MH) dan entitas anak/ and its subsidiary	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100.00	100.00	2006	35,524	41,896
Majapahit Finance B.V. (MF) *)	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100.00	100.00	2006	34,109	33,827
PT PLN Batubara (PLN Batubara) dan entitas anak/ and subsidiary	Jakarta	Perdagangan batu bara/ Coal trading	99.99	99.99	2009	4,424	1,265
PT Jambi Prima Coal (JPC)	Jambi	Pertambangan batu bara/ Coal mining	60.00	--	2010	869	--
PT Pengembang Listrik Nasional Gas Dan Geothermal (PLN Gas & Geothermal)	Jakarta	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	2010	17	21
PT Pelayanan Bahtera Adhiguna (BAG)	Jakarta	Pelayaran/ Shipping	100.00	100.00	2011	1,472	1,257

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Entitas Anak/ Subsidiaries	Domisili/ Domicile	Jenis usaha/ Nature of business	Persentase pemilikan/ Percentage of ownership		Tahun operasi komersial/ Year of commercial operation	Jumlah aset sebelum eliminasi **)/ Total assets before elimination **)	
			2017 %	2016 %		2017 Rp	2016 Rp
PT PBM Adhiguna Putera (PBM AP) ****)	Jakarta	Pelayaran/ Shipping	24.95	99.95	1987	--	147
PT Halejora Power (HP) dan entitas anak/ and subsidiary	Jakarta	Jasa pemeliharaan dan operasi/ Maintenance and operation	99.99	99.99	2013	739	586
PT Halejora Powerindo (HP) *)	Jakarta	Jasa/ Service	90.00	90.00	2013	312	311
PT Prima Layanan Niaga Suku Cadang (PLN SC) *)	Jakarta	Perdagangan barang dan jasa enjiniring supply chain dan konsultasi dibidang ketenagalistrikan/ Operation and services trading, engineering supply chain and consultation in the electricity sector	100.00	--	***)	151	--

*) Pemilikan tidak langsung/ Indirect ownership

***) Dalam miliaran Rupiah/ Stated in billions of Rupiah

****) Dalam tahap pengembangan/ Under development stage

*****) Berubah status menjadi asosiasi/ Status changed into associate

Pada tahun 2017, berdasarkan akta No. 73 tanggal 31 Juli 2017 dari Muhammad Hanafi, S.H., notaris di Jakarta, PT Pengembang Listrik Nasional Geothermal (PLN Geothermal) berganti nama menjadi PT Pengembang Listrik Nasional Gas dan Geothermal (PLN Gas & Geothermal) serta menambah lingkup usahanya di bidang usaha pengelolaan gas beserta infrastrukturnya khususnya yang berkaitan dengan *midstream gas*.

In 2017, by notarial deed No. 73 dated July 31, 2017 of Muhammad Hanafi, S.H., notary in Jakarta, PT Pengembang Listrik Nasional Geothermal (PLN Geothermal) changed its name to PT Pengembang Listrik Nasional Gas dan Geothermal (PLN Gas & Geothermal) and expand the scope of its business in gas management along with its infrastructure especially related to *midstream gas*.

Pada tanggal 16 Juni 2017, PJB dan IP, entitas anak, mendirikan PLN SC dengan penyertaan saham masing-masing sebesar Rp76.500 dan Rp73.500 yang merupakan 51% dan 49% kepemilikan saham di PLN SC.

In June 16, 2017, PJB and IP, subsidiaries, established PLN SC with share ownership amounted to Rp76,500 and Rp73,500, respectively which are 51% and 49% share ownership in PLN SC.

Pada tahun 2017, PLN Batubara, entitas anak, melakukan akuisisi 60% saham JPC dengan biaya perolehan sebesar Rp521.471.

In 2017, PLN Batubara, a subsidiary, acquired 60% equity ownership of JPC at acquisition cost of Rp521,471.

Pada tahun 2017, jenis usaha PLN Tarakan, entitas anak, berubah menjadi perusahaan jasa pemeliharaan dan operasi.

In 2017, business nature of PLN Tarakan, a subsidiary, has changed to become a maintenance and operation company.

Pada tahun 2017, PLN Tarakan, entitas anak, melakukan penyertaan saham di PCN sebesar Rp2.499 atau setara 99,96% saham PCN.

In 2017, PLN Tarakan, a subsidiary, made a share investment to PCN amounted to Rp2,499 equivalent of 99.96% shares in PCN.

Pada tahun 2016, IP, entitas anak, melakukan penambahan penyertaan saham di IRP sebesar Rp135.000 yang meningkatkan modal disetor IP di IRP menjadi Rp337.035 atau setara 93,96% saham IRP.

In 2016, IP, a subsidiary, increased their additional shares to IRP amounted Rp135,000 which increases the IP's paid up capital in IRP to become Rp337,035 equivalent of 93.96% shares in IRP.

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Pada tahun 2017, IP, entitas anak, dan PT Ridlatama Bangun Mandiri, pihak non-pengendali, melakukan penambahan penyertaan saham di IRP masing-masing sebesar Rp22.965 dan Rp18.333. Penambahan penyertaan saham ini mengubah kepemilikan IP di IRP menjadi 90%.

In 2017, IP, a subsidiary, and PT Ridlatama Bangun Mandiri, non-controlling party, increased their share ownership in IRP amounted to Rp22,965 and Rp18,333, respectively. Increased in shares of ownership changed IP's percentage of ownership to 90%.

Pada tahun 2016, IP, entitas anak, melakukan penambahan penyertaan saham di ADC sebesar Rp15.000 yang meningkatkan modal disetor IP di ADC menjadi Rp24.000 atau setara 80% saham ADC.

In 2016, IP, a subsidiary, increased their additional shares to ADC amounted Rp15,000 which increases the IP's paid up capital in ADC to become Rp24,000 equivalent of 80% shares in ADC.

Pada tahun 2017, berdasarkan akta No. 33 tanggal 7 November 2017 dari Hasbullah Abdul Rasyid, S.H., M.Kn. notaris di Jakarta, PT Tangkuban Parahu Geothermal Power (TPGP), entitas anak IP, berganti nama menjadi PT Indo Tenaga Hijau (ITH) serta menambah lingkup usahanya di bidang perusahaan energi baru dan/ atau terbarukan.

In 2017, by notarial deed No. 33 dated November 7, 2017 of Hasbullah Abdul Rasyid, S.H., M.Kn. notary in Jakarta, PT Tangkuban Parahu Geothermal Power (TPGP), subsidiary of IP, changed its name to PT Indo Tenaga Hijau (ITH) and expand the scope of its business in new and/or renewable energy.

Pada tahun 2017, IP, entitas anak, menambah penyertaan saham di PIT sebesar Rp278.957 tanpa mengubah kepemilikan.

In 2017, IP, a subsidiary, increased additional shares to PIT amounted to Rp278,957 without changes ownership.

Pada tahun 2016, PLNE, entitas anak, melakukan penyertaan saham di PPN sebesar Rp15.000 atau setara 99,99% saham PPN.

In 2016, PLNE, a subsidiary, made a share investment to PPN amounted to Rp15,000 equivalent of 99.99% shares in PPN.

Pada tanggal 2 Mei 2017, BAG, entitas anak, kehilangan pengendalian atas PBM AP disebabkan penjualan 75% saham BAG di PBM AP kepada Dana Pensiun PLN ("DP PLN") dengan nilai pelepasan sebesar Rp54.250 sehingga PBM AP berubah status menjadi asosiasi.

On May 2, 2017, BAG, a subsidiary, lost its control over PBM AP due to sale of 75% of BAG's shares in PBM AP to Dana Pensiun PLN ("DP PLN") with proceed amounted to Rp54,250 which changed PBM AP status to associate.

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6. Aset Tetap

6. Property, Plant and Equipment

	2017				Saldo akhir/ Ending balance Rp	
	Saldo awal/ Beginning balance Rp	Penambahan/ Additions Rp	Pengurangan/ Deductions Rp	Reklasifikasi/ Reclassifications Rp		
Biaya perolehan						At cost
<u>Pemilikan langsung</u>						<u>Direct acquisitions</u>
Tanah	122,946,829	296,727	--	(4,248,087)	118,995,469	Land
Bangunan umum, w aduk dan prasarana	53,221,708	573,948	--	8,063,534	61,859,190	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	601,857,994	1,404,228	--	4,021,685	607,283,907	Installation and power plant
Perengkapan transmisi	94,212,569	217,711	--	7,205,652	101,635,932	Transmission equipment
Perengkapan distribusi	156,955,477	917,265	--	17,266,559	175,139,301	Distribution equipment
Perengkapan umum	10,734,882	316,985	--	1,192,318	12,244,185	General equipment
Kendaraan bermotor	1,195,896	82,865	--	241,021	1,519,782	Motor vehicles
Material cadangan utama	1,017,197	49,161	--	173,732	1,240,090	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	3,248,184	79,566	--	1,022,287	4,350,037	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1,886,524	275	--	205,100	2,091,899	Others telecommunication and data processing equipment
Kapal dan perlengkapan	1,146,053	20,865	--	--	1,166,918	Vessels and equipment
Subjumlah	<u>1,048,423,313</u>	<u>3,959,596</u>	<u>--</u>	<u>35,143,801</u>	<u>1,087,526,710</u>	Subtotal
<u>Aset sewaan</u>						<u>Leased assets</u>
Tanah	47,400	228,955	--	--	276,355	Land
Instalasi dan mesin pembangkit	37,921,931	3,403,799	--	--	41,325,730	Installation and power plant
Subjumlah	<u>37,969,331</u>	<u>3,632,754</u>	<u>--</u>	<u>--</u>	<u>41,602,085</u>	Subtotal
Pekerjaan dalam pelaksanaan	102,994,657	89,059,011	--	(46,757,174)	145,296,494	Construction in progress
Aset tidak digunakan dalam operasi	8,559,805	--	(872,792)	8,624,872	16,311,885	Assets not used in operation
Jumlah	<u>1,197,947,106</u>	<u>96,651,361</u>	<u>(872,792)</u>	<u>(2,988,501)</u>	<u>1,290,737,174</u>	Total
Akumulasi penyusutan/ akumulasi penurunan nilai						Accumulated depreciation/ accumulated impairment
<u>Pemilikan langsung</u>						<u>Direct acquisitions</u>
Bangunan umum, w aduk dan prasarana	2,291,307	1,640,227	--	(234,921)	3,696,613	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	15,317,088	16,519,913	--	134,793	31,971,794	Installation and power plant
Perengkapan transmisi	2,341,006	2,475,531	--	5,158	4,821,695	Transmission equipment
Perengkapan distribusi	4,311,364	4,865,522	--	(33,467)	9,143,419	Distribution equipment
Perengkapan umum	8,326,941	1,076,274	--	57,427	9,460,642	General equipment
Kendaraan bermotor	953,985	119,008	--	(12,100)	1,060,893	Motor vehicles
Material cadangan utama	155,689	40,634	--	(29,482)	166,841	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	543,804	443,054	--	18,206	1,005,064	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1,259,180	194,094	--	1,536	1,454,810	Others telecommunication and data processing equipment
Kapal dan perlengkapan	291,820	77,838	--	--	369,658	Vessels and equipment
Subjumlah	<u>35,792,184</u>	<u>27,452,095</u>	<u>--</u>	<u>(92,850)</u>	<u>63,151,429</u>	Subtotal
<u>Aset sewaan</u>						<u>Leased assets</u>
Instalasi dan mesin pembangkit	10,106,163	1,725,102	--	--	11,831,265	Installation and power plant
Aset tidak digunakan dalam operasi	6,519,232	964,343	(871,177)	4,573,653	11,186,051	Assets not used in operation
Jumlah	<u>52,417,579</u>	<u>30,141,540</u>	<u>(871,177)</u>	<u>4,480,803</u>	<u>86,168,745</u>	Total
Jumlah Tercatat	<u><u>1,145,529,527</u></u>				<u><u>1,204,568,429</u></u>	Net Carrying Value

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	2016							
	Saldo awal/ Beginning balance	Penyesuaian penerapan/ Application adjustment POJK No.6	Saldo awal d disesuaikan/ Adjusted beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	
Biaya perolehan/ revaluasi:								Acquisition cost/ revaluation:
Pemilikan langsung								Direct acquisitions
Tanah	119,569,383	--	119,569,383	890,624	--	2,486,822	122,946,829	Land
Bangunan umum, w aduk dan prasarana	49,456,429	--	49,456,429	115,018	--	3,650,261	53,221,708	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	572,134,451	--	572,134,451	1,923,345	--	27,800,198	601,857,994	Installation and power plant
Perlengkapan transmisi	86,701,829	--	86,701,829	120,233	--	7,390,507	94,212,569	Transmission equipment
Perlengkapan distribusi	141,446,484	--	141,446,484	2,845,940	--	12,663,053	156,955,477	Distribution equipment
Perlengkapan umum	9,848,947	--	9,848,947	269,422	--	616,513	10,734,882	General equipment
Kendaraan bermotor	841,123	--	841,123	44,662	--	310,111	1,195,896	Motor vehicles
Material cadangan utama	667,054	--	667,054	274,874	--	75,269	1,017,197	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2,603,090	--	2,603,090	26,345	--	618,749	3,248,184	Telecommunication and data processing equipment used for electricity supply
Perlengkapan pengolahan data dan telekomunikasi lainnya	1,646,470	--	1,646,470	915	--	239,139	1,886,524	Other telecommunication and data processing equipment
Kapal dan perlengkapan	1,413,716	--	1,413,716	11,342	--	(279,005)	1,146,053	Vessels and equipment
Subjumlah	986,328,976	--	986,328,976	6,522,720	--	55,571,617	1,048,423,313	Subtotal
Aset sewaan								Leased assets
Tanah	48,388	--	48,388	--	--	(988)	47,400	Land
Instalasi dan mesin pembangkit	144,432,130	(103,659,494)	40,772,636	--	--	(2,850,705)	37,921,931	Installation and power plant
Subjumlah	144,480,518	(103,659,494)	40,821,024	--	--	(2,851,693)	37,969,331	Subtotal
Pekerjaan dalam pelaksanaan	104,984,687	--	104,984,687	51,324,191	--	(53,314,221)	102,994,657	Construction in progress
Aset tidak digunakan dalam operasi	8,055,240	--	8,055,240	--	(467,359)	971,924	8,559,805	Assets not used in operation
Jumlah	1,243,849,421	(103,659,494)	1,140,189,927	57,846,911	(467,359)	377,627	1,197,947,106	Total
Akumulasi penyusutan								Accumulated depreciation
Pemilikan langsung								Direct acquisitions
Bangunan umum, w aduk dan prasarana	--	--	--	2,029,031	--	262,276	2,291,307	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	--	--	--	15,511,262	--	(194,174)	15,317,088	Installation and power plant
Perlengkapan transmisi	--	--	--	2,314,178	--	26,828	2,341,006	Transmission equipment
Perlengkapan distribusi	--	--	--	4,313,743	--	(2,379)	4,311,364	Distribution equipment
Perlengkapan umum	7,433,553	--	7,433,553	975,895	--	(82,507)	8,326,941	General equipment
Kendaraan bermotor	759,513	--	759,513	107,290	--	87,182	953,985	Motor vehicles
Material cadangan utama	--	--	--	77,316	--	78,373	155,689	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	--	--	--	519,696	--	24,108	543,804	Telecommunication and data processing equipment used for electricity supply
Perlengkapan pengolahan data dan telekomunikasi lainnya	1,043,768	--	1,043,768	185,555	--	29,857	1,259,180	Other telecommunication and data processing equipment
Kapal dan perlengkapan	287,944	--	287,944	90,269	--	(86,393)	291,820	Vessels and equipment
Subjumlah	9,524,778	--	9,524,778	26,124,235	--	143,171	35,792,184	Subtotal
Aset sewaan								Leased assets
Instalasi dan mesin pembangkit	39,529,187	(31,431,894)	8,097,293	1,404,427	--	604,443	10,106,163	Installation and power plant
Aset tidak digunakan dalam operasi	6,915,866	--	6,915,866	234,698	(338,501)	(292,831)	6,519,232	Assets not used in operation
Jumlah	55,969,831	(31,431,894)	24,537,937	27,763,360	(338,501)	454,783	52,417,579	Total
Jumlah Tercatat	1,187,879,590	(72,227,600)	1,115,651,990				1,145,529,527	Net Carrying Value

Beban penyusutan dialokasikan sebagai berikut:

Depreciation expense was allocated to the following:

	2017 Rp	2016 Rp	
Beban usaha	29,160,597	27,512,150	Operating expenses
Pekerjaan dalam pelaksanaan	16,600	16,512	Construction in progress
Beban lain-lain	964,343	234,698	Others
Jumlah	30,141,540	27,763,360	Total

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Perusahaan dan entitas anak memiliki beberapa bidang tanah dengan hak legal berupa Hak Pakai dan Hak Guna Bangunan ("HGB"). Hak Pakai tidak mempunyai jangka waktu sedangkan HGB Perusahaan jatuh tempo antara tahun 2018 sampai dengan 2051, tetapi dapat diperpanjang. Perusahaan dan entitas anak juga mempunyai beberapa bidang tanah yang sedang dalam proses perpanjangan HGB dan pengurusan balik nama menjadi atas nama Perusahaan dan entitas anak.

The Company and its subsidiaries own several pieces of land with Rights to Use and Building Use Rights ("HGB"). Rights to Use have no expiration date while HGB will expire from 2018 to 2051, but they are renewable by the Company. The Company and its subsidiaries also have several pieces of land rights, which are still in an extension process and in the process of transfer of certificate to the name of the Company and its subsidiaries.

Bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan pengolahan data dan telekomunikasi lainnya serta kapal diasuransikan kepada beberapa perusahaan asuransi yaitu PT Asuransi Jasa Indonesia, pihak berelasi, sebagai penanggung utama, PT Asuransi Dayin Mitra Tbk dan PT Asuransi Tugu Kresna Pratama, terhadap risiko kebakaran dan kemungkinan risiko lainnya dengan jumlah pertanggungan sebesar US\$22.908.432.485 (setara dengan Rp310.363.443) dan Rp1.475.447 pada tanggal 31 Desember 2017. Aset sewaan Pembangkit Listrik Tenaga Uap ("PLTU") Tanjung Jati B 4x660 MW diasuransikan kepada PT Asuransi Mitsui Sumitomo Indonesia terhadap risiko kebakaran dan risiko lainnya dengan jumlah pertanggungan masing-masing sebesar JPY452.897.476.244 (setara dengan Rp54.446.610) dan US\$4.320.000 (setara dengan Rp58.527) pada tanggal 31 Desember 2017.

Building, installation and power plant, transmission equipment, other telecommunication and data processing equipments and vessels were insured to several insurance companies, with PT Asuransi Jasa Indonesia, a related party, acting as the lead insurer, PT Asuransi Dayin Mitra Tbk and PT Asuransi Tugu Kresna Pratama, against fire and other possible risks with insurance coverage of US\$22,908,432,485 (equivalent to Rp310,363,443) and Rp1,475,447 as of December 31, 2017. Leased assets of Tanjung Jati B Steam Power Plant ("PLTU") 4x660 MW were insured to PT Asuransi Mitsui Sumitomo Indonesia against fire and other possible risks with insurance coverage of JPY452,897,476,244 (equivalent to Rp54,446,610) and US\$4,320,000 (equivalent to Rp58,527) respectively, as of December 31, 2017.

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungkan. Perusahaan dan entitas anak tidak mengasuransikan aset tetap selain bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan pengolahan data dan telekomunikasi lainnya serta kapal dan perlengkapan.

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured. The Company and its subsidiaries do not insure property, plant and equipment other than building, installation and power plant, transmission equipment, other telecommunication and data processing equipments and vessels and its equipment.

Pada tanggal 31 Desember 2017, jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh dan masih digunakan sebesar Rp7.505.609.

As of December 31, 2017, the gross carrying amount of property, plant and equipment that have been fully depreciated and still in use amounted to Rp7,505,609.

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Pada tahun 2017, manajemen mengkategorikan beberapa aset tetap menjadi aset tidak digunakan dalam operasi berdasarkan pertimbangan tingkat efisiensi dan keekonomisan aset tersebut. Nilai aset tersebut telah disesuaikan ke nilai terpulihkan. Penyesuaian tersebut diakui dalam penghasilan komprehensif lain dan mengurangi jumlah akumulasi surplus revaluasi dalam ekuitas.

In 2017, management categorizes several property, plant and equipment into assets not used in operations based on the consideration of the efficiency and the economy of the assets. The amount of the assets are adjusted to its recoverable amount. The adjustment is recognized in other comprehensive income and reduces the amount of accumulated of surplus revaluation in the equity.

Manajemen Perusahaan dan entitas anak berpendapat bahwa nilai wajar aset tetap tidak berbeda secara material dengan jumlah tercatatnya sehingga tidak melakukan revaluasi aset tetap.

The Company's and its subsidiaries' management believe that the fair value of property, plant and equipment is not materially different with its carrying amount, hence did not revalue its property, plant and equipment.

Pekerjaan Dalam Pelaksanaan

Akun ini merupakan biaya-biaya yang terjadi sehubungan dengan pembangunan dan renovasi/ perbaikan sarana kelistrikan, sebagai berikut:

Construction In Progress

This account represents costs incurred in relation to the construction and renovation/betterment of power supply facilities, as follows:

	2017 Rp	2016 Rp	
Proyek penugasan - program percepatan:			<i>Mandatory project - fast track program:</i>
Pembangkitan	9,116,037	13,473,959	<i>Power plants</i>
Transmisi	6,509,844	6,983,868	<i>Transmission</i>
Subjumlah	<u>15,625,881</u>	<u>20,457,827</u>	<i>Subtotal</i>
Konstruksi rutin:			<i>Regular constructions:</i>
Pembangkitan	44,849,557	29,123,314	<i>Power plants</i>
Transmisi	69,885,866	46,854,170	<i>Transmission</i>
Distribusi	13,136,053	5,675,889	<i>Distribution</i>
Perlengkapan	1,799,137	883,457	<i>Equipment</i>
Subjumlah	<u>129,670,613</u>	<u>82,536,830</u>	<i>Subtotal</i>
Jumlah	<u>145,296,494</u>	<u>102,994,657</u>	<i>Total</i>

(i) Program percepatan

Program percepatan (*fast track program*) merupakan proyek yang ditugaskan Pemerintah kepada Perusahaan. Pekerjaan dalam pelaksanaan program percepatan termasuk pembayaran uang muka kepada kontraktor, biaya pinjaman serta pengeluaran lain yang dikapitalisasi.

(i) Fast track program

The fast track program represents projects which are mandated by the Government to the Company. Construction in progress under the fast track program includes advance payments made to the contractors, borrowing costs and other capitalized expenditures.

Pembangkitan

Program percepatan pekerjaan dalam pelaksanaan pembangkitan terutama merupakan PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW dan PLTU 2 Kalimantan Barat - Bengkayang 2x27,5 MW.

Power plants

The fast track program of power plants under construction consists mainly of PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW and PLTU 2 Kalimantan Barat - Bengkayang 2x27.5 MW.

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Transmisi

Program percepatan pekerjaan dalam pelaksanaan transmisi terutama terdiri dari proyek Gardu Induk Tegangan Ekstra Tinggi 500 kV New Rawalo (Kesugihan), *Underground Cable* ("UGC") 150 kV Gunung Sahari - Kemayoran - Paket 1 dan Gardu Induk 150 kV Bekasi Utara.

(ii) Konstruksi rutin

Pembangkitan

Pekerjaan dalam pelaksanaan pembangkitan terutama merupakan PLTGU Grati Peaker 1x450 MW, PLTU Lontar Extension 1x315 MW, PLTA Peusangan 2x88 MW dan PLTGU Jawa 1x800 MW.

Transmisi

Pekerjaan dalam pelaksanaan transmisi terutama merupakan proyek jaringan transmisi T/L 500 kV Jawa - Bali, T/L 150 kV untuk luar Jawa - Bali, proyek gardu induk 150 kV serta proyek interkoneksi jaringan.

Distribusi

Pekerjaan dalam pelaksanaan distribusi terutama merupakan proyek jaringan distribusi tegangan menengah dan rendah 20 kV serta proyek gardu distribusi.

Perlengkapan

Perlengkapan pekerjaan dalam pelaksanaan termasuk materi dan perlengkapan khusus yang digunakan untuk menunjang fungsi pembangkitan dan distribusi listrik.

Pekerjaan dalam pelaksanaan ini diperkirakan selesai antara tahun 2018 dan 2021.

Pada tanggal 31 Desember 2017, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan Perusahaan terhadap nilai kontrak adalah sebagai berikut:

Transmission

The fast track program of transmission under construction mainly consists of project Extra High Voltage Substations 500 kV New Rawalo (Kesugihan), *Underground Cable* ("UGC") 150 kV Gunung Sahari - Kemayoran - package 1 and Substations 150 kV Bekasi Utara.

(ii) Regular constructions

Power plants

Power plants under construction consist mainly of PLTGU Grati Peaker 1x450 MW, PLTU Lontar Extension 1x315 MW, PLTA Peusangan 2x88 MW and PLTGU Jawa 1x800 MW.

Transmission

Transmission under construction consists mainly of projects of transmission lines of T/L 500 kV in Java - Bali, T/L 150 kV outside Java - Bali, substations 150 kV and interconnection of transmission projects.

Distribution

Distribution under construction consists mainly of projects of mid and low voltage distribution lines of 20 kV and distribution substation projects.

Equipment

Equipment under construction consists of specialised materials and equipment used to support the generation and distribution of electricity.

Constructions in progress are expected to be completed between 2018 and 2021.

As of December 31, 2017, the estimated percentage of completion of the Company's construction in progress projects are as follows:

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Nama proyek/ Project name	Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress Rp	Presentase penyelesaian/ Percentage of completion %
PLTGU Grati Peaker 1x450 MW	3,771,957	93%
PLTU Lontar Extension 1x315 MW	3,333,331	33%
PLTA Peusangan 2x88 MW	2,926,853	70%
PLTGU Jawa 1x800 MW	2,713,674	64%
PLTU Pangkalan Susu Unit 3 dan/ and 4 2x200 MW	2,418,034	69%
PLTU 3 Kalimantan Barat Site Bengkayang 2x50 MW	2,290,845	94%
PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW	1,785,466	86%
PLTU Talakar 2x100 MW	1,388,703	93%
PLTA Jatigede 2x55 MW	1,377,883	26%
PLTU 2 Kalimantan Barat - Bengkayang 2x27.5 MW	780,583	81%
Transmisi lainnya/ Various transmission line	76,395,709	2%-98%
Pembangkitan lainnya/ Other power plants	31,178,264	2%-98%
Lainnya/ Others	14,935,192	2%-98%
Jumlah/ Total	145,296,494	

Pada tanggal 31 Desember 2016, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan konstruksi Perusahaan terhadap nilai kontrak adalah sebagai berikut:

As of December 31, 2016, the estimated percentages of completion of the Company's construction in progress projects were as follows:

Nama Proyek/ Project name	Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress Rp	Persentase penyelesaian/ Percentage of completion %
PLTU Kalimantan Timur - Teluk Balikpapan 2x100 MW	3,205,292	97%
PLTA Peusangan 2x88 MW	2,409,116	66%
PLTU 3 Kalimantan Barat - Site Bengkayang 2x50 MW	1,870,414	78%
PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW	1,743,571	86%
PLTGU Grati Peaker 1x450 MW	1,565,751	28%
PLTU Pangkalan Susu Unit 3 dan/ and 4 2x200 MW	1,457,456	45%
PLTU Takalar 2x100 MW	1,226,060	49%
PLTU Gorontalo - Anggrek 2x25 MW	1,143,687	51%
PLTU 2 Kalimantan Barat - Bengkayang 2x27.5 MW	759,499	81%
PLTU Sampit 2x25 MW	527,677	34%
Transmisi lainnya/ Various transmission line	53,838,038	2%-98%
Pembangkitan lainnya/ Other power plants	26,688,750	2%-98%
Lainnya/ Others	6,559,346	2%-98%
Jumlah/ Total	102,994,657	

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Informasi mengenai persentase penyelesaian yang disajikan dalam tabel diatas menggambarkan estimasi kemajuan tahap *engineering, procurement and construction*. Selanjutnya, masih perlu dilakukan sejumlah pengujian-pengujian sebelum proyek pekerjaan dalam pelaksanaan menerima sertifikat laik operasi.

The information about the percentages of completion disclosed in the table above indicate the estimated progress during the engineering, procurement and construction phases. There are still number of tests that need to be performed during the commissioning phase before the projects are certified for operations.

Biaya pinjaman yang dikapitalisasi ke pekerjaan dalam pelaksanaan adalah sebagai berikut:

Borrowing costs which were capitalized to construction in progress are as follows:

	2017 Rp	2016 Rp	
Program percepatan			<i>Fast track program</i>
Bunga pinjaman termasuk amortisasi biaya emisi obligasi	375,043	1,251,994	<i>Interest expense including amortization of bonds issuance</i>
Kerugian kurs mata uang asing	8,109	407	<i>Loss on foreign exchange</i>
Jumlah	<u>383,152</u>	<u>1,252,401</u>	<i>Total</i>
Konstruksi rutin			<i>Regular constructions</i>
Bunga pinjaman	4,329,063	1,549,207	<i>Interest expense</i>
Kerugian kurs mata uang asing	309,619	242,528	<i>Loss on foreign exchange</i>
Jumlah	<u>4,638,682</u>	<u>1,791,735</u>	<i>Total</i>
Jumlah	<u>5,021,834</u>	<u>3,044,136</u>	<i>Total</i>

Biaya pinjaman dikapitalisasi pada tingkat bunga rata-rata tertimbang dari pinjaman umum yaitu masing-masing sebesar 7,10% dan 6,62% pada tahun 2017 dan 2016.

Borrowing costs were capitalized at the weighted average rate of general borrowings of 7.10% and 6.62% in 2017 and 2016, respectively.

Dalam beberapa kesempatan masih ada sedikit kendala terkait perizinan dan pembebasan lahan. Namun demikian dengan terbitnya Perpres No.4/2016 dan perubahannya yaitu Perpres No.14/2017, manajemen berkeyakinan bahwa hambatan dalam penyelesaian proyek tersebut dapat diatasi.

In some occasions there are constraints related to permit and land acquisition. However, with the issuance of the Perpres No. 4/2016 and its amendment No. 14/2017, the management believes that such constraints in completing the projects can be overcome.

Aset Tidak Digunakan Dalam Operasi

Aset tidak digunakan dalam operasi meliputi aset tetap akan direlokasi, sementara belum digunakan dalam operasi serta aset tetap akan diperbaiki.

Assets Not Used In Operations

Assets not used in operations comprised of those to be relocated, those temporarily not in use in operations, and those to be repaired.

Kerugian dari penghapusan aset yang tidak digunakan dalam operasi sebesar Rp327.986 tahun 2017 dan Rp167.941 tahun 2016 dicatat sebagai beban usaha lain-lain (Catatan 46).

Loss on written off assets not used in operations amounting to Rp327,986 in 2017 and Rp167,941 in 2016, respectively are recorded as other operating expenses (Note 46).

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Aset tertentu yang tidak digunakan dalam operasi dijual seharga Rp45.983 tahun 2017 dan Rp27.705 tahun 2016. Nilai buku aset yang dijual tersebut telah nihil, sehingga hasil penjualan aset seluruhnya merupakan keuntungan penjualan aset tertentu yang tidak digunakan dalam operasi (Catatan 46).

Certain assets not used in operations were sold with a selling price of Rp45,983 in 2017 and Rp27,705 in 2016. The carrying value of such assets was nil, hence all the proceeds from the sale of certain assets represented a gain on the sale of assets not used in operations (Note 46).

Manajemen berpendapat bahwa percepatan penyusutan atas aset yang tidak digunakan dalam operasi memadai untuk menutup risiko kerugian penurunan nilai yang mungkin timbul dari aset tersebut.

Management believes that accelerated depreciation on assets not used in operations is adequate to cover possible loss on impairment on the value of such assets.

7. Properti Investasi

7. Investment Properties

Akun ini merupakan tanah milik Perusahaan dan entitas anak, yaitu IP, PJB dan PLN Batam yang terletak di Pademangan – Jakarta Utara, Paiton - Jawa Timur, Bekasi - Jawa Barat, Pluit - Jakarta Utara, Asahan - Sumatera Utara dan Kramatwatu – Serang dengan hak legal berupa HGB berjangka waktu dari 7 sampai 40 tahun, jatuh tempo pada 2032, yang disewakan kepada PT Paiton Energy, PT Jawa Power, PT Pertamina (Persero), PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas, PT Bajradaya Sentranusa, PT Karya Semesta Gemilang, PT Shenhua Guohua Pembangkitan Jawa Bali dan beberapa aset tanah yang disewakan ke pihak ketiga.

This account pertains to pieces of land owned by the Company and its subsidiaries namely IP, PJB and PLN Batam, located in Pademangan – North Jakarta, Paiton - East Java, Bekasi - West Java, Pluit - North Jakarta, Asahan - North Sumatera and Kramatwatu – Serang with HGB for periods between 7 to 40 years until 2032, which are leased to PT Paiton Energy, PT Jawa Power, PT Pertamina (Persero), PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas, PT Bajradaya Sentranusa, PT Karya Semesta Gemilang, PT Shenhua Guohua Pembangkitan Jawa Bali and several lands are leased to third parties.

Pada tanggal 31 Desember 2017 dan 2016, Perusahaan dan entitas anak melakukan penilaian kembali atas nilai wajar properti investasi, yang dilakukan oleh Kantor Jasa Penilai Publik Rengganis, Hamid & Rekan (“KJPP RHR”), penilai independen yang telah terdaftar di Kementerian Keuangan dan OJK.

As of December 31, 2017 and 2016, the Company and its subsidiaries performs revaluation of the fair value of its investment properties which is performed by Kantor Jasa Penilai Publik Rengganis, Hamid & Rekan (“KJPP RHR”), an independent valuer registered in the Ministry of Finance and OJK.

Nilai wajar properti investasi diklasifikasikan sebagai level 2 dalam hirarki nilai wajar.

The fair values of investment properties are within level 2 of the fair value hierarchy.

Nilai wajar properti investasi pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp4.723.070 dan Rp1.325.297.

The fair value of the investment properties as of December 31, 2017 and 2016 amounted to Rp4,723,070 and Rp1,325,297 respectively.

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8. Investasi pada Entitas Asosiasi dan Ventura Bersama **8. Investments in Associates and Joint Ventures**

Rincian investasi pada entitas asosiasi dan ventura bersama adalah sebagai berikut:

Details of investments in associates and joint ventures are as follows:

Entitas/ Entity	Domisili/ Domicile	Jenis usaha/ Nature of business	Tahun operasi komersial/ Commercial operations	Persentase penyertaan/ Percentage of ownership	
				2017 %	2016 %
<u>Entitas asosiasi/ Associates</u>					
PT Geo Dipa Energi ("GDE")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	2002	6.67	6.67
PT Mtra Energi Batam ("MEB")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2004	30.00	30.00
PT Indo Pusaka Berau ("IPB")	Berau	Perdagangan batu bara/ Coal trading	2005	46.53	46.53
PT Sumber Segara Primadaya ("S2P")	Cilacap	Pembangkit tenaga listrik/ Electricity supplier	2006	49.00	49.00
PT Dalle Energy Batam ("DEB")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2006	20.00	20.00
PT Tanjung Kasam Power ("TJK")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2012	10.00	10.00
PT Energi Pelabuhan Indonesia ("EPI")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	2013	45.00	45.00
PT PBM Adhiguna Putera ("PBMAP")	Jakarta	Pelayaran/ Shipping	1987	25.00	--
<u>Ventura bersama/ Joint ventures</u>					
PT Unelec Indonesia ("Unindo")	Jakarta	Penunjang penyedia tenaga listrik/ Electricity supports	1988	32.35	32.35
PT Bajradaya Sentranusa ("BDSN")	Asahan	Pembangkit tenaga listrik/ Electricity supplier	2010	36.61	36.61
PT Komipo Pembangkitan Jawa Bali ("Komipo PJB")	Jepara	Operasi dan pemeliharaan/ Operational and maintenance	2010	49.00	49.00
PT Crompton Prima Switchgear Indonesia ("CPSI")	Jakarta	Peralatan pengontrol dan pendistribusian listrik/ Electricity controller and distribution	2014	49.00	49.00
PT Bukit Pembangkit Innovative ("BPI")	Palembang	Pembangkit tenaga listrik/ Electricity supplier	2015	37.25	37.25
PT Perta Daya Gas ("PDG")	Jakarta	Transportasi dan penyimpanan LNG/ Transportation and storage of LNG	2015	35.00	35.00
PT Rajamandala Electric Power ("REP")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	51.00	51.00
PT Rekind Daya Mamuju ("RDM")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	10.00	10.00
PT Shenhua Guohua Pembangkitan Jawa Bali ("SGPJB")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	30.00	30.00
PT GCL Indotenaga ("GCL")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	35.00	35.00
PT Guohua Taidian Pembangkitan Jawa Bali ("GTPJB")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	30.00	30.00
PT North Sumatra Hydro Energy ("NSHE")	Sumatera Utara	Pembangkit tenaga listrik/ Electricity supplier	*)	25.00	--
PT Indo Raya Tenaga ("IRT")	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	*)	51.00	--

*) Tahap pengembangan/ Development stage

Seluruh entitas asosiasi dan ventura bersama dicatat oleh Perusahaan dan entitas anak dengan menggunakan metode ekuitas. Seluruh entitas adalah entitas tertutup dan tidak terdapat harga pasar yang dikutip yang tersedia untuk sahamnya.

All the associates and joint ventures are recorded by the Company and its subsidiaries using the equity method. They are private entities and there is no quoted market price available for its share.

Per 31 Desember 2017 dan 2016, manajemen berpendapat bahwa tidak terdapat pembatasan dan risiko signifikan yang terkait dengan investasi pada asosiasi dan ventura bersama.

As of December 31, 2017 and 2016, management believes that there is no significant restriction and risk regarding the investments in associates and joint ventures.

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Mutasi investasi pada entitas asosiasi dan
ventura bersama adalah sebagai berikut:

Changes in investments in associates and joint
ventures are as follows:

	Jumlah tercatat 1 Januari 2017/ Carrying amount January 1, 2017 Rp	Penambahan/ Additions Rp	Dividen/ Dividend Rp	Bagian atas laba (rugi) bersih/ Share of profit (loss) Rp	Bagian atas pendapatan komprehensif lainnya/ Share of other comprehensive income Rp	Jumlah tercatat 31 Desember 2017/ Carrying amount December 31, 2017 Rp	
Entitas asosiasi							Associates
PT Geo Dipa Energi	83,824	--	--	9,154	(317)	92,661	PT Geo Dipa Energi
PT Mitra Energi Batam	97,905	--	(3,450)	18,821	--	113,276	PT Mitra Energi Batam
PT Sumber Segara Primadaya	1,506,386	--	(111,992)	487,277	--	1,881,671	PT Sumber Segara Primadaya
PT Dalle Energy Batam	83,802	--	--	6,688	--	90,490	PT Dalle Energy Batam
PT Indo Pusaka Berau	111,599	--	(1,163)	1,220	--	111,656	PT Indo Pusaka Berau
PT Energi Pelabuhan Indonesia	37,576	--	--	4,946	--	42,522	PT Energi Pelabuhan Indonesia
PT Tanjung Kasam Power	59,026	--	--	14,184	2,579	75,789	PT Tanjung Kasam Power
PT FBM Adhiguna Putera	--	2,855	--	22,207	(297)	24,765	PT FBM Adhiguna Putera
Subjumlah	1,980,118	2,855	(116,605)	564,497	1,965	2,432,830	Subtotal
Ventura bersama							Joint ventures
PT Unelec Indonesia	34,703	--	--	20,315	--	55,018	PT Unelec Indonesia
PT Bajadaya Sentranusa	402,571	--	(87,897)	87,578	285,604	687,856	PT Bajadaya Sentranusa
PT Bukit Pembangkit Inovative	823,514	--	--	117,707	154,314	1,095,535	PT Bukit Pembangkit Inovative
PT Komipo	--	--	--	--	--	--	PT Komipo
Pembangkitan Jawa Bali	51,940	--	(37,003)	26,376	--	41,313	Pembangkitan Jawa Bali
PT Rekind Daya Mamuju	24,404	21,046	--	9,154	--	54,604	PT Rekind Daya Mamuju
PT Indo Raya Tenaga	--	510	--	(190)	--	320	PT Indo Raya Tenaga
PT Perta Daya Gas	--	--	--	3,016	113	3,129	PT Perta Daya Gas
PT Rajamandala Electric Power	114,808	--	--	(21,126)	14,892	108,574	PT Rajamandala Electric Power
PT Crompton Prima Switcgear	35,318	--	--	(7,779)	4,501	32,040	PT Crompton Prima Switcgear
PT Shenhua Guohua	--	--	--	--	--	--	PT Shenhua Guohua
Pembangkitan Jawa Bali	319,944	959,808	--	11,690	508	1,291,950	Pembangkitan Jawa Bali
PT GCL Indotenaga	40,642	286,626	--	(47)	--	327,221	PT GCL Indotenaga
PT Guohua Taidian	--	--	--	--	--	--	PT Guohua Taidian
Pembangkitan Jawa Bali	2,020	--	--	--	4	2,024	Pembangkitan Jawa Bali
PT North Sumatera Hydro Energy	--	746,084	--	--	--	746,084	PT North Sumatera Hydro Energy
Subjumlah	1,849,864	2,014,074	(124,900)	246,694	459,936	4,445,668	Subtotal
Jumlah	3,829,982	2,016,929	(241,505)	811,191	461,901	6,878,498	Total
	Jumlah tercatat 1 Januari 2016/ Carrying amount January 1, 2016 Rp	Penambahan/ Additions Rp	Dividen/ Dividend Rp	Bagian atas laba (rugi) bersih/ Share of profit (loss) Rp	Bagian atas pendapatan komprehensif lainnya/ Share of other comprehensive income Rp	Jumlah tercatat 31 Desember 2016/ Carrying amount December 31, 2016 Rp	
Entitas asosiasi							Associates
PT Geo Dipa Energi	--	--	--	83,824	--	83,824	PT Geo Dipa Energi
PT Mitra Energi Batam	101,933	--	(1,500)	(2,528)	--	97,905	PT Mitra Energi Batam
PT Sumber Segara Primadaya	1,288,685	--	(52,816)	270,517	--	1,506,386	PT Sumber Segara Primadaya
PT Dalle Energy Batam	76,060	--	--	7,742	--	83,802	PT Dalle Energy Batam
PT Indo Pusaka Berau	101,350	--	--	10,249	--	111,599	PT Indo Pusaka Berau
PT Energi Pelabuhan Indonesia	33,146	--	--	4,430	--	37,576	PT Energi Pelabuhan Indonesia
PT Tanjung Kasam Power	44,239	--	(2,231)	17,018	--	59,026	PT Tanjung Kasam Power
Subjumlah	1,645,413	--	(56,547)	391,252	--	1,980,118	Subtotal
Ventura bersama							Joint ventures
PT Unelec Indonesia	112,033	--	--	(77,330)	--	34,703	PT Unelec Indonesia
PT Bajadaya Sentranusa	418,423	--	(115,787)	104,176	(4,241)	402,571	PT Bajadaya Sentranusa
PT Bukit Pembangkit Inovative	777,217	--	--	51,369	(5,072)	823,514	PT Bukit Pembangkit Inovative
PT Komipo	--	--	--	--	--	--	PT Komipo
Pembangkitan Jawa Bali	61,601	--	(35,541)	25,880	--	51,940	Pembangkitan Jawa Bali
PT Rekind Daya Mamuju	20,403	4,001	--	--	--	24,404	PT Rekind Daya Mamuju
PT Perta Daya Gas	--	--	--	--	--	--	PT Perta Daya Gas
PT Rajamandala Electric Power	102,347	13,447	--	(986)	--	114,808	PT Rajamandala Electric Power
PT Crompton Prima	--	--	--	--	--	--	PT Crompton Prima
Switcgear Indonesia	37,261	--	--	(1,943)	--	35,318	Switcgear Indonesia
PT Shenhua Guohua	--	--	--	--	--	--	PT Shenhua Guohua
Pembangkitan Jawa Bali	--	319,944	--	--	--	319,944	Pembangkitan Jawa Bali
PT GCL Indotenaga	--	42,355	--	(1,713)	--	40,642	PT GCL Indotenaga
PT Guohua Taidian	--	--	--	--	--	--	PT Guohua Taidian
Pembangkitan Jawa Bali	--	2,020	--	--	--	2,020	Pembangkitan Jawa Bali
Subjumlah	1,529,285	381,767	(151,328)	99,453	(9,313)	1,849,864	Subtotal
Jumlah	3,174,698	381,767	(207,875)	490,705	(9,313)	3,829,982	Total

Berikut ini adalah ringkasan informasi keuangan entitas asosiasi dan ventura bersama pada 31 Desember 2017 dan 2016 yang dicatat dengan menggunakan metode ekuitas.

The following table contains the summarized financial information for associates and joint ventures as of December 31, 2017 and 2016, which are accounted using the equity method.

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	2016					
	PT Mitra Energi Batam Rp	PT Sumber Segara Primadaya Rp	PT Tanjung Kasam Power Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Bagian atas aset bersih						Share of the net assets
asosiasi	97,904	1,188,211	59,026	381,049	1,726,190	of associates
Penyesuaian metode ekuitas	1	318,175	--	(64,248)	253,928	Adjustment of equity method
Jumlah tercatat	<u>97,905</u>	<u>1,506,386</u>	<u>59,026</u>	<u>316,801</u>	<u>1,980,118</u>	Total carrying value
Pendapatan	130,419	5,094,718	407,943	1,330,497	6,963,577	Revenue
Beban pokok penjualan	(23,781)	(3,466,817)	(83,389)	(883,456)	(4,457,443)	Cost of good sold
Depresiasi dan amortisasi	(2,244)	(648,583)	--	(27,372)	(678,199)	Depreciation and amortization
Pendapatan keuangan	--	1,975	--	4,961	6,936	Interest income
Beban keuangan	(33,179)	(388,258)	(98,942)	(43,437)	(563,816)	Interest expense
Beban operasi	(77,239)	(15,398)	(7,725)	(167,436)	(267,798)	Operating expense
Pendapatan (beban) lain-lain, bersih	(186)	122,332	--	1,157,768	1,279,914	Other income (charges) - net
Beban pajak penghasilan	(2,217)	(147,893)	(47,701)	(46,669)	(244,480)	Income tax expense
Laba (rugi) tahun berjalan	<u>(8,427)</u>	<u>552,076</u>	<u>170,186</u>	<u>1,324,856</u>	<u>2,038,691</u>	Profit (loss) for the year
% kepemilikan efektif	30%	49%	10%	20% - 46.80%	6.67% - 46.80%	% of effective ownership
Bagian laba (rugi)						Share of the profit (loss)
asosiasi tahun berjalan	<u>(2,528)</u>	<u>270,517</u>	<u>17,018</u>	<u>106,245</u>	<u>391,252</u>	for the year of associates
Laba (rugi) komprehensif lain	--	--	--	--	--	Other comprehensive income (loss)
Bagian laba (rugi)						Share of other comprehensive
komprehensif asosiasi	--	--	--	--	--	income (loss) of associates
Dividen yang diterima dari perusahaan asosiasi	1,500	52,816	2,231	--	56,547	Dividend received from associates

Ventura bersama/ Joint ventures

	2017					
	PT Unelec Indonesia Rp	PT Bajradaya Sentranusa Rp	PT Bukit Pembangkit Innovative Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Lancar						Current
Kas dan setara kas	4,312	298,673	418,954	1,283,778	2,005,717	Cash and cash equivalents
Aset lancar lainnya (tidak termasuk kas)	762,443	232,188	103,087	2,290,260	3,387,978	Other current assets (excluding cash)
Jumlah aset lancar	<u>766,755</u>	<u>530,861</u>	<u>522,041</u>	<u>3,574,038</u>	<u>5,393,695</u>	Total of current assets
Liabilitas keuangan						Financial liabilities
Utang usaha	336,393	205,067	360,731	573,930	1,476,121	Trade payables
Liabilitas lancar lainnya	671,599	174,718	331,888	186,365	1,364,570	Other current liabilities
Jumlah liabilitas lancar	<u>1,007,992</u>	<u>379,785</u>	<u>692,619</u>	<u>760,295</u>	<u>2,840,691</u>	Total current liabilities
Tidak lancar						Non-current
Aset	371,325	5,483,604	5,525,950	14,332,155	25,713,034	Assets
Liabilitas						Liabilities
Liabilitas keuangan	--	2,637,109	2,135,612	7,916,630	12,689,351	Financial liabilities
Liabilitas lainnya	41,705	808,114	--	101,977	951,796	Other liabilities
Jumlah liabilitas tidak lancar	<u>41,705</u>	<u>3,445,223</u>	<u>2,135,612</u>	<u>8,018,607</u>	<u>13,641,147</u>	Total of non-current assets
Aset bersih	<u>88,383</u>	<u>2,189,457</u>	<u>3,219,760</u>	<u>9,127,291</u>	<u>14,624,891</u>	Net assets
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	--	% of effective ownership
Bagian atas aset bersih						Share of the net assets
ventura bersama	28,592	801,560	1,199,361	2,611,060	4,640,573	of joint ventures
Penyesuaian ISAK 16	--	--	--	--	--	Adjustments of ISFAS 16
Penyesuaian metode ekuitas	26,426	(113,704)	(103,825)	(3,802)	(194,905)	Adjustments of equity method
Jumlah tercatat	<u>55,018</u>	<u>687,856</u>	<u>1,095,536</u>	<u>2,607,258</u>	<u>4,445,668</u>	Total carrying value
Pendapatan	972,228	603,700	893,348	7,114,905	9,584,181	Revenue
Beban pokok penjualan	(817,449)	(17,701)	(242,520)	(6,386,436)	(7,464,106)	Cost of good sold
Depresiasi dan amortisasi	--	(310)	--	(55,060)	(55,370)	Depreciation and amortization
Pendapatan keuangan	--	--	632	13,009	13,641	Interest income
Beban keuangan	(41,529)	(241,181)	(96,250)	(274,276)	(653,236)	Interest expense
Beban operasi	(29,604)	(33,522)	(161,918)	(119,158)	(344,202)	Operating expense
Pendapatan (beban) lain-lain, bersih	(15,936)	19,109	25,322	(71,253)	(42,758)	Other income (charges) - net
Beban pajak penghasilan	(4,912)	(90,877)	(102,622)	(54,464)	(252,875)	Income tax expense
Laba periode berjalan	<u>62,798</u>	<u>239,218</u>	<u>315,992</u>	<u>167,267</u>	<u>785,275</u>	Profit for the period
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	--	% of effective ownership
Bagian atas laba tahun berjalan						Share of the profit
ventura bersama	<u>20,315</u>	<u>87,578</u>	<u>117,707</u>	<u>21,094</u>	<u>246,694</u>	for the year of joint ventures
Laba komprehensif lain	--	780,126	414,266	40,415	1,234,807	Other comprehensive income
Bagian atas laba						Share of
komprehensif ventura bersama	--	285,604	154,314	20,018	459,936	other comprehensive income of joint ventures
Dividen yang diterima dari perusahaan ventura bersama	--	87,897	--	37,003	124,900	Dividend received from joint ventures

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	2016					
	PT Unelec Indonesia Rp	PT Bajradaya Sentranusa Rp	PT Bukit Pembangkit Innovative Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Lancar						Current
Kas dan setara kas	14,714	380,139	160,539	417,238	972,630	Cash and cash equivalents
Aset lancar lainnya (tidak termasuk kas)	680,162	214,200	28,998	178,601	1,101,961	Other current assets (excluding cash)
Jumlah aset lancar	694,876	594,339	189,537	595,839	2,074,591	Total current assets
Liabilitas keuangan						Financial liabilities
Utang usaha	166,396	130,046	250,735	233,759	780,936	Trade payables
Liabilitas lancar lainnya	765,026	245,967	287,592	150,876	1,449,461	
Jumlah liabilitas lancar	931,422	376,013	538,327	384,635	2,230,397	
Tidak lancar						Non-current
Aset	387,801	5,503,025	5,432,027	1,658,333	12,981,186	Assets
Liabilitas						Liabilities
Liabilitas keuangan	--	2,786,202	2,055,971	1,030,917	5,873,090	Financial liabilities
Liabilitas lainnya	43,896	760,082	488,686	43,778	1,336,442	Other liabilities
Jumlah liabilitas tidak lancar	43,896	3,546,284	2,544,657	1,074,695	7,209,532	Total non-current liabilities
Aset bersih	107,359	2,175,067	2,538,580	794,842	5,615,848	Net assets
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas aset bersih ventura bersama	34,731	796,292	945,621	277,421	2,054,065	Share of the net assets of joint ventures
Penyesuaian metode ekuitas	(28)	(393,721)	(122,107)	311,655	(204,201)	Adjustments of equity methods
Jumlah tercatat	34,703	402,571	823,514	589,076	1,849,864	Total carrying value
Pendapatan	715,054	611,731	734,398	976,749	3,037,932	Revenue
Beban pokok penjualan	(686,296)	--	(173,517)	(825,038)	(1,684,851)	Cost of good sold
Depresiasi dan amortisasi	--	(259)	--	(8,397)	(8,656)	Depreciation and amortization
Pendapatan keuangan	--	26,792	4,739	13,077	44,608	Interest income
Beban keuangan	(33,661)	(254,229)	(121,159)	(6,191)	(415,240)	Interest expense
Beban operasi	(80,653)	(24,032)	(297,005)	(99,800)	(501,490)	Operating expense
Pendapatan (beban) lain-lain, bersih	(162,213)	5,792	(9,552)	2,546	(163,427)	Other income (charges) - net
Beban pajak penghasilan	8,727	(81,239)	--	(30,579)	(103,091)	Income tax expense
Laba (rugi) tahun berjalan	(239,042)	284,556	137,904	22,367	205,785	Profit (loss) for the year
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas laba (rugi) tahun berjalan ventura bersama	(77,330)	104,176	51,369	21,238	99,453	Share of the profit (loss) for the year of joint ventures
Laba (rugi) komprehensif lain	--	(11,583)	(13,617)	--	(25,200)	Other comprehensive income (loss)
Bagian atas laba (rugi) komprehensif ventura bersama	--	(4,241)	(5,072)	--	(9,313)	Share of other comprehensive income (loss) of joint ventures
Dividen yang diterima dari ventura bersama	--	115,787	--	35,541	151,328	Dividend received from joint ventures

Investasi pada entitas di atas diperoleh terutama untuk tujuan potensi pertumbuhan jangka panjang, karena seluruh entitas tersebut bergerak dalam industri ketenagalistrikan yang sama dengan industri Perusahaan dan entitas anak.

GDE

GDE didirikan untuk melanjutkan pembangunan pembangkit tenaga listrik Dieng dan Patuha yang sebelumnya dimiliki Himpurna California Energy Limited dan Patuha Power Limited.

Walaupun Perusahaan hanya memiliki 6,67% kepemilikan GDE, Perusahaan mempunyai pengaruh yang signifikan atas GDE. Pengaruh yang signifikan dinilai

The investments in the above entities are held primarily for long-term growth potential, since these entities are engaged in the same electricity industry as the Company and its subsidiaries.

GDE

GDE was established to continue the development of the Dieng and Patuha power plant projects previously owned by Himpurna California Energy Limited and Patuha Power Limited.

Although the Company only has 6.67% ownership in GDE, the Company has significant influence over GDE. The significant influence was indicated by the

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berdasarkan kemampuan Perusahaan untuk mengarahkan operasional GDE dengan menetapkan *Key Performance Indicator* (KPI).

Company's ability to drive GDE operation by imposing Key Performance Indicator (KPI).

MEB

Pada tahun 2017 dan 2016, PLN Batam, entitas anak, memperoleh dividen dari MEB masing-masing sebesar Rp3.450 dan Rp1.500.

MEB

In 2017 and 2016, PLN Batam, a subsidiary, received dividends from MEB amounting to Rp3,450 and Rp1,500, respectively.

S2P

Pada tahun 2017 dan 2016, PJB, entitas anak, memperoleh dividen dari S2P masing-masing sebesar US\$8.266.312 (ekuivalen Rp111.992) dan US\$3.920.000 (ekuivalen Rp52.816).

S2P

In 2017 and 2016, PJB, a subsidiary, received dividends from S2P amounting to US\$8,266,312 (equivalent to Rp111,992) and US\$3,920,000 (equivalent to Rp52,816) respectively.

IPB

Pada tahun 2017, IP, entitas anak, memperoleh dividen sebesar Rp1.163.

IPB

In 2017, IP, a subsidiary, received cash dividends amounting to Rp1,163.

TJK

PLN Batam, entitas anak, mempunyai pengaruh signifikan di TJK dengan mempertimbangkan adanya keterwakilan PLN Batam pada susunan Direksi TJK. Pada tahun 2016, PLN Batam memperoleh dividen sebesar Rp2.231 dari TJK.

TJK

PLN Batam, a subsidiary, has significant influence over TJK by considering its representation in TJK's Directors. In 2016, PLN Batam received cash dividends from TJK amounting to Rp2,231.

IRT

Pada tahun 2017, PIT, entitas anak IP dan PT Barito Wahana Lestari mendirikan IRT dengan penyertaan saham masing-masing sebesar Rp510 dan Rp490 yang merupakan 51% dan 49% kepemilikan saham di IRT. PIT mempunyai pengendalian bersama atas IRT berdasarkan adanya keharusan kesepakatan bersama atas pengambilan keputusan penting.

IRT

In 2017, PIT, a subsidiary of IP and PT Barito Wahana Lestari established IRT with share ownership amounted to Rp510 and Rp490, respectively which are 51% and 49% share ownership in IRT. PIT has joint control in IRT as there must be a unanimous consent on important decisions.

BDSN

Pada tahun 2017 dan 2016, PJB, entitas anak, memperoleh dividen dari BDSN masing-masing sebesar US\$6.487.821 (ekuivalen Rp87.897) dan US\$8.786.400 (ekuivalen Rp115.787).

BDSN

In 2017 and 2016, PJB, a subsidiary, received dividend from BDSN amounting to US\$6,487,821 (equivalent to Rp87,897) and US\$8,786,400 (equivalent to Rp115,787) respectively.

Komipo PJB

Pada tahun 2017 dan 2016, PJB, entitas anak, memperoleh dividen dari Komipo PJB masing-masing sebesar Rp37.003 dan Rp35.541.

Komipo PJB

In 2017 and 2016, PJB, a subsidiary, received dividends from Komipo PJB amounting to Rp37,003 and Rp35,541, respectively.

RDM

RE, entitas anak PJB, mempunyai pengendalian bersama atas RDM berdasarkan adanya keharusan kesepakatan bersama atas

RDM

RE, a subsidiary of PJB, has joint control over in RDM as there must be a unanimous consent on important decisions. During 2017 and 2016,

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pengambilan keputusan penting. Selama tahun 2017 dan 2016, RE melakukan tambahan investasi masing-masing sebesar Rp21.046 dan Rp4.001 tanpa mengubah persentase kepemilikan.

SGPJB

Pada tanggal 13 Januari 2016, PJBI, entitas anak PJB, melakukan investasi pada SGPJB dengan melakukan penyertaan saham sebesar US\$24.000.000 (ekuivalen Rp319.944), setara dengan kepemilikan saham sebesar 30%. Pada tanggal 16 Maret 2017 dan 27 September 2017, Perusahaan melakukan penambahan penyertaan saham masing-masing sebesar US\$39.000.000 dan US\$33.000.000 (ekuivalen Rp519.324 dan Rp440.484) tanpa mengubah persentase kepemilikan.

PT GCL Indotenaga

Pada tanggal 25 Februari 2016, PIT, entitas anak IP, dan Taicang Harbour Golden Concord Electric - Power Generation mendirikan PT GCL Indotenaga untuk menjalankan proyek pembangkit listrik tenaga uap. PIT melakukan pembayaran investasi awal sebesar US\$3.150.000 (setara dengan Rp42.355), setara dengan kepemilikan saham sebesar 35%.

Selama tahun 2017, PIT melakukan tambahan investasi sebesar US\$21.000.000 (ekuivalen Rp286.626) tanpa mengubah persentase kepemilikan.

GTPJB

Pada tanggal 23 September 2016, PJBI, entitas anak PJB, dan Guangdong Guohua Yuedian Taishan Power Generation Company Limited mendirikan GTPJB dengan investasi awal sebesar US\$150.000 (ekuivalen Rp2.020), setara dengan kepemilikan saham sebesar 30%.

NSHE

Pada tanggal 29 Agustus 2017, PJBI, entitas anak PJB, melakukan investasi pada NSHE dengan melakukan penyertaan saham sebesar US\$30.497.203 (ekuivalen Rp407.076), setara dengan kepemilikan saham sebesar 25%. Pada tanggal 28 Desember 2017, Perusahaan melakukan penambahan penyertaan saham sebesar US\$25.000.611 (ekuivalen Rp339.008).

RE made additional investments amounting to Rp21,046 and Rp4,001, respectively, without changes in percentage of ownership.

SGPJB

On January 13, 2016, PJBI, a subsidiary of PJB, made investment to SGPJB with initial investment amounted to US\$24,000,000 (equivalent to Rp319,944), equivalent to 30% ownership share. On March 16, 2017 and September 27, 2017, the Company made additional investment amounting to US\$39,000,000 and US\$33,000,000, respectively, (equivalent to Rp519,324 and Rp440,484) without percentage changes in ownership.

PT GCL Indotenaga

On February 25, 2016, PIT, a subsidiary of IP, and Taicang Harbour Golden Concord Electric - Power Generation established PT GCL Indotenaga to implement the project coal fired power plant. PIT made initial investments amounting to US\$3,150,000 (equivalent to Rp42,355), equivalent to 35% share ownership.

During 2017, PIT made additional investments amounting to US\$21,000,000 (equivalent to Rp286,626) without changes in percentage of ownership.

GTPJB

On September 23, 2016, PJBI, a subsidiary of PJB, and Guangdong Guohua Yuedian Taishan Power Generation Company Limited established GTPJB with initial investment amounting to US\$150,000 (equivalent to Rp2,020), equivalent to 30% share ownership.

NSHE

On August 29, 2017, PJBI, a subsidiary of PJB, made investment to NSHE through purchase of shares amounting to US\$30,497,203 (equivalent to Rp407,076), equivalent to 25% total percentage of ownership. On December 28, 2017, the Company made additional investment amounting to US\$25,000,611, (equivalent to Rp339,008).

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PBM AP

Pada tanggal 2 Mei 2017, BAG, entitas anak, kehilangan pengendalian atas PBM AP disebabkan penjualan 75% saham BAG di PBM AP kepada Dana Pensiun PLN ("DP PLN") dengan nilai pelepasan sebesar Rp54.250 sehingga PBM AP berubah status menjadi asosiasi.

PBM AP

On May 2, 2017, BAG lost its control over PBM AP due to sale of 75% of BAG's shares in PBM AP to Dana Pensiun ("DP PLN") with proceed amounted to Rp54,250 which changed PBM AP status to associate.

9. Piutang Pihak Berelasi

9. Receivables from Related Parties

	2017 Rp	2016 Rp	
PT Perta Daya Gas	224,742	260,085	PT Perta Daya Gas
PT Komipo Pembangkitan Jawa Bali	11,447	16,747	PT Komipo Pembangkitan Jawa Bali
PT Dalle Energy Batam	5,603	9,632	PT Dalle Energy Batam
PT Mitra Energi Batam	683	683	PT Mitra Energi Batam
PT Tanjung Kasam Power	--	12,465	PT Tanjung Kasam Power
Jumlah	242,475	299,612	Total
Dikurangi bagian jangka pendek	5,294	36,548	Less current portion
Bagian jangka panjang	237,181	263,064	Long-term portion

PDG

Pada tanggal 12 Juni 2013, IP, entitas anak, memberikan pinjaman jangka panjang sebesar US\$18.837.112 kepada PDG untuk membiayai proyek *Compressed Natural Gas* ("CNG") di PLTU Tambak Lorok, Semarang. Pada tanggal 30 November 2015, IP melakukan amandemen atas pinjaman jangka panjang yang diberikan kepada PDG sehingga jumlah pinjaman berubah menjadi US\$18.191.529 sesuai dengan jumlah seluruh pencairan hingga tanggal terakhir yakni 9 Januari 2014 dan jangka waktu pinjaman berubah menjadi delapan tahun yang akan jatuh tempo pada 1 Desember 2023. Pemberian pinjaman ini dikenakan bunga 6,5% per tahun. Jumlah bunga atas pokok pinjaman terutang selama masa pembangunan proyek (*Interest During Construction*) dihitung sejak tanggal pencairan dana sampai tanggal 30 Mei 2014 dan dibayarkan secara penuh pada tanggal 1 Juni 2016. Pokok pinjaman akan ditagihkan setiap 6 bulan dari tanggal 1 Juni 2016 sampai dengan 1 Desember 2023. Pada tanggal 31 Desember 2017, saldo piutang yang terdiri dari pokok dan bunga sebesar US\$16.197.815 atau setara dengan Rp219.448 (2016: US\$18.897.451 atau setara dengan Rp253.906). Pada tanggal 31 Desember 2017 dan 2016 piutang lainnya sebesar Rp5.294 dan Rp6.179 merupakan piutang yang antara lain, piutang bunga dan biaya relokasi pegawai.

PDG

On June 12, 2013, IP, a subsidiary, granted a long-term loan amounting to US\$18,837,112 to PDG for financing the *Compressed Natural Gas* ("CNG") project in PLTU Tambak Lorok, Semarang. On November 30, 2015, IP made an amendment to the long term loan given to PDG which resulted in the revision of the total loan granted to become US\$18,191,529 in accordance with the fund transferred up to January 9, 2014 and the tenor of the loan was revised to eight years and due on December 1, 2023. This loan bears interest of 6.5% per annum. The total interest on the principal during the construction of the project (*Interest During Construction*) is effective from the date of cash withdrawal until May 30, 2014 and paid-in full on June 1, 2016. The principal shall be collected every 6 months from date June 1, 2016 until December 1, 2023. As of December 31, 2017, the outstanding principal and accrued interest of the receivables amounted to US\$16,197,815, equivalent to Rp219,448 (2016: US\$18,897,451, equivalent to Rp253,906). As of December 31, 2017 and 2016, other receivables amounting to Rp5,294 dan Rp6,179 represent interest receivables and costs of relocation of employees.

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Komipo PJB

Pada tanggal 29 Desember 2010, PJB, entitas anak, menyetujui untuk memberikan pinjaman kepada Komipo PJB dalam bentuk *shareholder loan* dengan suku bunga 14% per tahun. Pinjaman ini bertujuan untuk memberikan Komipo PJB dana cadangan untuk memenuhi kewajiban dalam Perjanjian Pengembangan Operasi dan Pemeliharaan dengan PJB, dimana Komipo PJB berkewajiban untuk memiliki dana cadangan selama berlakunya perjanjian untuk enam bulan operasi dan pemeliharaan pembangkit. Pada tanggal 29 Desember 2014, PJB melakukan amandemen atas pinjaman yang diberikan kepada Komipo PJB sehingga jangka waktu pinjaman akan jatuh tempo pada tanggal 29 Desember 2019. Pelunasan pembayaran bunga dilakukan setiap tanggal 29 Desember dan cicilan pertama pokok piutang dilaksanakan pada tanggal 29 Desember 2012.

TJK, MEB dan DEB

Piutang ini merupakan piutang atas denda kontrak penyediaan tenaga listrik.

Manajemen Perusahaan dan entitas anak berpendapat bahwa piutang pihak berelasi dapat tertagih.

Komipo PJB

On December 29, 2010, PJB, a subsidiary, agreed to provide loans to Komipo PJB, in the form of a *shareholder loan* with annual interest of 14% per annum. The purpose of this loan is to provide cash reserves for Komipo PJB in order to comply with the contractual obligations stipulated in the *Expansion Operation and Maintenance Agreement* with PJB, which requires Komipo PJB to, at any time of the contract term, maintain the cash reserves for six-months operation and maintenance of power plant. On December 29, 2014, PJB made an amendment on loan agreement to Komipo PJB to extend the due date to December 29, 2019. The interest will be due every December 29 and the first installment of principal payment was on December 29, 2012.

TJK, MEB and DEB

These receivables represent receivables on penalty of power purchase contracts.

Managements of the Company and its subsidiaries consider these receivables from related parties to be collectible.

10. Rekening Bank dan Deposito Berjangka Dibatasi Penggunaannya

10. Restricted Cash in Banks and Time Deposits

	2017 Rp	2016 Rp	
Angsuran sewa pembiayaan dan jaminan operasi			Lease installments and operation guarantee
Rekening bank			Cash in bank
Sumitomo Mitsui Banking Corporation, Singapura			Sumitomo Mitsui Banking Corporation, Singapore
JPY	6,587,157	6,797,365	JPY
US\$	623,962	603,573	US\$
Bank Bukopin - Rupiah	49,339	49,855	Bank Bukopin - Rupiah
Jaminan bank garansi			Bank guarantee
Rekening bank - Rupiah			Cash in banks - Rupiah
Pihak berelasi:			Related parties:
Bank Mandiri	22,909	12,159	Bank Mandiri
Bank Negara Indonesia	1,313	1,269	Bank Negara Indonesia
Pihak ketiga:			Third parties:
Bank CIMB Niaga	22,829	--	Bank CIMB Niaga
Bank Woori Saudara	--	39	Bank Woori Saudara

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	<u>2017</u> Rp	<u>2016</u> Rp	
Deposito berjangka - Rupiah			<i>Time deposit</i>
Pihak berelasi:			<i>Related parties:</i>
Bank Rakyat Indonesia	75,200	--	<i>Bank Rakyat Indonesia</i>
Bank Negara Indonesia	70,000	--	<i>Bank Negara Indonesia</i>
Bank Mandiri	35,000	--	<i>Bank Mandiri</i>
Jumlah	<u>7,487,709</u>	<u>7,464,260</u>	Total
Tingkat bunga deposito berjangka per tahun			<i>Interest rate per annum on time deposits</i>
Rupiah	4.5% - 6%	8.25%	<i>Rupiah</i>
US\$	1.25% - 1.37%	1.03% - 1.13%	<i>US\$</i>
JPY	--	0.0001% - 0.065%	<i>JPY</i>
Jangka waktu			<i>Maturity</i>
Rupiah	4 - 6 bulan/ months	1 tahun/ year	<i>Rupiah</i>
US\$	1 tahun/ year	1 tahun/ year	<i>US\$</i>
JPY	--	1 tahun/ year	<i>JPY</i>

Perusahaan menempatkan dana cadangan pada Sumitomo Mitsui Banking Corporation, Singapura sebesar JPY54.793.251.283 dan US\$46.055.654 pada tanggal 31 Desember 2017 dan sebesar JPY58.900.167.541 dan US\$44.922.075 pada tanggal 31 Desember 2016 untuk memenuhi persyaratan *Financial Lease Agreement* ("FLA").

The Company established a reserve account with Sumitomo Mitsui Banking Corporation, Singapore amounting to JPY54,793,251,283 and US\$46,055,654 as of December 31, 2017 and amounting to JPY58,900,167,541 and US\$44,922,075 as of December 31, 2016 to fulfill the requirement of the Financial Lease Agreement ("FLA").

Rincian rekening bank dan deposito berjangka dibatasi penggunaannya dalam mata uang asing adalah sebagai berikut:

Details of restricted cash in bank and time deposits in foreign currencies are as follows:

	<u>2017</u>		<u>2016</u>		
	<i>Dalam mata uang asing/ In foreign currencies *)</i>	<i>Ekuivalen/ Equivalent Rp</i>	<i>Dalam mata uang asing/ In foreign currencies *)</i>	<i>Ekuivalen/ Equivalent Rp</i>	
JPY	54,793,251,283	6,587,157	58,900,167,541	6,797,365	<i>JPY</i>
US\$	46,055,654	623,962	44,922,075	603,573	<i>US\$</i>
Jumlah		<u>7,211,119</u>		<u>7,400,938</u>	Total

*) Dalam jumlah penuh/ *In full amount*

11. Aset Tidak Lancar Lain

11. Other Non-Current Assets

	<u>2017</u> Rp	<u>2016</u> Rp	
Biaya ditangguhkan	187,941	--	<i>Deferred charges</i>
Biaya dibayar dimuka			<i>Prepaid expenses</i>
Pembelian gas	1,189,825	862,060	<i>Gas purchased</i>
Lain-lain	93,737	505,222	<i>Others</i>
Subjumlah	<u>1,471,503</u>	<u>1,367,282</u>	<i>Subtotal</i>

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	2017 Rp	2016 Rp	
Uang muka			<i>Advances</i>
Pengembangan proyek	3,032,454	2,152,425	<i>Project development</i>
Pembelian batubara	942,922	818,232	<i>Purchased of coal</i>
Subjumlah	3,975,376	2,970,657	<i>Subtotal</i>
Aset takberwujud			<i>Intangible assets</i>
Piranti lunak	605,360	567,522	<i>Software</i>
Biaya legal terkait perpanjangan hak atas tanah	132,441	57,872	<i>Legal costs for renewal landrights</i>
Subjumlah	737,801	625,394	<i>Subtotal</i>
Properti pertambangan	875,453	--	<i>Mining properties</i>
Investasi saham tidak terdaftar di bursa	3,964	967	<i>Investment in non-listed shares</i>
Jumlah	7,064,097	4,964,300	Total

Amortisasi aset takberwujud

Beban amortisasi aset takberwujud tahun 2017 dan 2016 masing-masing sebesar Rp285.676 dan Rp275.918.

Amortization of intangible assets

Amortization of intangible assets in 2017 and 2016 were amounted to Rp285,676 and Rp275,918, respectively.

12. Kas dan Setara Kas

12. Cash and Cash Equivalents

	2017 Rp	2016 Rp	
Kas	8,578	16,529	<i>Cash on hand</i>
Bank			<i>Cash in banks</i>
Pihak berelasi			<i>Related parties</i>
Bank Rakyat Indonesia			<i>Bank Rakyat Indonesia</i>
Rupiah	8,025,347	11,982,982	<i>Rupiah</i>
US\$	4,131,047	1,312,360	<i>US\$</i>
EUR	57,016	47,647	<i>EUR</i>
JPY	6,003	732	<i>JPY</i>
Bank Mandiri			<i>Bank Mandiri</i>
Rupiah	8,028,389	9,880,319	<i>Rupiah</i>
US\$	399,383	545,650	<i>US\$</i>
EUR	11,001	11,635	<i>EUR</i>
JPY	5,275	1,942	<i>JPY</i>
Bank Negara Indonesia			<i>Bank Negara Indonesia</i>
Rupiah	8,391,017	9,626,030	<i>Rupiah</i>
US\$	664,703	318,455	<i>US\$</i>
JPY	25,119	25,234	<i>JPY</i>
EUR	20,809	39,686	<i>EUR</i>
CHF	--	6,150	<i>CHF</i>
Bank Tabungan Negara			<i>Bank Tabungan Negara</i>
Rupiah	1,505,072	1,003,076	<i>Rupiah</i>
Bank DKI			<i>Bank DKI</i>
Rupiah	737,233	721,440	<i>Rupiah</i>
US\$	98,686	39,169	<i>US\$</i>
JPY	914	878	<i>JPY</i>
Jumlah pihak berelasi	32,107,014	35,563,385	<i>Total related parties</i>

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Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
US\$	2,614,659	152,947	<i>US\$</i>
Rupiah	1,497,183	2,459,059	<i>Rupiah</i>
JPY	81,621	55,100	<i>JPY</i>
EUR	40,772	--	<i>EUR</i>
Bank Internasional Indonesia			<i>Bank Internasional Indonesia</i>
Rupiah	1,467	1,451	<i>Rupiah</i>
US\$	5	510	<i>US\$</i>
Bank Danamon			<i>Bank Danamon</i>
Rupiah	174,829	122,318	<i>Rupiah</i>
Bank Central Asia			<i>Bank Central Asia</i>
Rupiah	435,310	391,801	<i>Rupiah</i>
US\$	23,838	23,641	<i>US\$</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	1,422,147	422,864	<i>Rupiah</i>
US\$	365,489	5,649	<i>US\$</i>
EUR	4,991	4,398	<i>EUR</i>
Jumlah pihak ketiga	6,662,311	3,639,738	<i>Total third parties</i>
Jumlah kas dan bank	38,777,903	39,219,652	<i>Total cash on hand and in banks</i>
Setara kas - deposito berjangka			<i>Cash equivalents - time deposits</i>
Pihak berelasi			<i>Related parties</i>
Bank Rakyat Indonesia			<i>Bank Rakyat Indonesia</i>
Rupiah	1,823,842	520,298	<i>Rupiah</i>
Bank Negara Indonesia			<i>Bank Negara Indonesia</i>
Rupiah	970,160	654,432	<i>Rupiah</i>
Bank Mandiri			<i>Bank Mandiri</i>
Rupiah	72,442	452,886	<i>Rupiah</i>
Jumlah pihak berelasi	2,866,444	1,627,616	<i>Total Related parties</i>
Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
Rupiah	460,000	914,607	<i>Rupiah</i>
JPY	--	57,235	<i>JPY</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	187,612	90,113	<i>Rupiah</i>
Jumlah pihak ketiga	647,612	1,061,955	<i>Total third parties</i>
Jumlah deposito berjangka	3,514,056	2,689,571	<i>Total time deposits</i>
Jumlah Kas dan Setara Kas	42,291,959	41,909,223	<i>Total Cash and Cash Equivalents</i>
Tingkat bunga deposito berjangka per tahun			<i>Interest rate per annum on time deposits</i>
Rupiah	6% - 7%	7.16% - 7.81%	<i>Rupiah</i>
US\$	--	0.5% - 1.49%	<i>US\$</i>
JPY	--	0.15%	<i>JPY</i>
Jangka waktu	1 - 3 Bulan/ <i>Months</i>	1 Bulan/ <i>Month</i>	<i>Maturity</i>

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Rincian kas dan setara kas dalam mata uang asing adalah sebagai berikut:

Details of cash and cash equivalents in foreign currencies are as follows:

	2017		2016		
	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	
US\$	612,474,922	8,297,810	178,504,121	2,398,381	US\$
EUR	8,321,241	134,588	7,299,106	103,367	EUR
JPY	989,283,918	118,932	1,222,842,324	141,122	JPY
Lain-lain **)	--	--	457,750	6,150	Others **)
Jumlah		8,551,330		2,649,020	Total

*) Dalam jumlah penuh

**) Kas dan setara kas dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) In full amount

**) Cash and cash equivalent in other currencies are presented in US\$, equivalents using prevailing at reporting date the exchange rate

13. Investasi Jangka Pendek

13. Short-Term Investments

	2017 Rp	2016 Rp	
Deposito berjangka			Time deposits
Pihak berelasi			Related parties
Bank Rakyat Indonesia			Bank Rakyat Indonesia
Rupiah	260,000	367,200	Rupiah
Bank Mandiri			Bank Mandiri
Rupiah	20,000	--	Rupiah
Jumlah pihak berelasi	280,000	367,200	Total related parties
Investasi lain-lain			Other investments
Rupiah	6,697	7,571	Rupiah
Jumlah investasi jangka pendek	286,697	374,771	Total short-term investments
Tingkat bunga deposito berjangka per tahun			Interest rate per annum on time deposits
Rupiah	6% - 6.75%	5.50% - 7.25%	Rupiah
Jangka waktu	6 Bulan/ Months	6 Bulan/ Months	Maturity

Risiko kredit pada aset keuangan tersebut dianggap dapat diabaikan, sebab pihak lawan merupakan bank terkemuka dengan peringkat kredit eksternal berkualitas tinggi.

The credit risk on these financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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14. Piutang Usaha

14. Trade Receivables

a. Berdasarkan langganan

a. By debtor

	2017 Rp	2016 Rp	
Pihak berelasi			<i>Related parties</i>
Badan Usaha Milik Negara	583,539	568,123	<i>State-Owned Enterprises</i>
Cadangan kerugian penurunan nilai	(2,546)	(2,665)	<i>Allowance for impairment losses</i>
Jumlah pihak berelasi - bersih	580,993	565,458	<i>Total of related parties - net</i>
Pihak ketiga			<i>Third parties</i>
Umum	21,330,953	20,444,950	<i>Public</i>
TNI dan Polri	634,603	603,286	<i>Indonesian Armed Forces</i>
Institusi lainnya	1,095,398	1,120,444	<i>Other institutions</i>
Subjumlah	23,060,954	22,168,680	<i>Subtotal</i>
Cadangan kerugian penurunan nilai	(1,175,104)	(1,023,177)	<i>Allowance for impairment losses</i>
Jumlah pihak ketiga - bersih	21,885,850	21,145,503	<i>Total of third parties - net</i>
Bersih	22,466,843	21,710,961	Net

b. Berdasarkan umur piutang usaha yang belum diturunkan nilainya

b. By age category of receivables that are not impaired

	2017 Rp	2016 Rp	
Belum jatuh tempo	20,607,638	19,806,412	<i>Not yet due</i>
Lewat jatuh tempo			<i>Past due</i>
1 s/d 90 hari	1,125,249	1,120,873	<i>1 to 90 days</i>
91 s/d 360 hari	631,327	735,436	<i>91 to 360 days</i>
Lebih dari 360 hari	1,280,279	1,074,082	<i>More than 360 days</i>
Jumlah	23,644,493	22,736,803	Total
Mutasi cadangan kerugian penurunan nilai			<i>Changes in the allowance for impairment losses</i>
Saldo awal tahun	(1,025,842)	(862,624)	<i>Balance at beginning of year</i>
Penambahan	(231,295)	(243,244)	<i>Additions</i>
Penghapusan	79,487	80,026	<i>Write-off</i>
Saldo akhir tahun	(1,177,650)	(1,025,842)	Balance at end of year

Piutang usaha Perusahaan dan PLN Batam dijamin dengan uang jaminan langganan jika terjadi kegagalan pembayaran (Catatan 34).

The Company and PLN Batam trade receivables are secured by the customers' security deposits in case of default (Note 34).

Provisi kerugian penurunan nilai dibentuk secara kolektif untuk seluruh piutang yang telah lewat jatuh tempo.

Provision for impairment losses were made collectively for all trade receivables which are past due.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang adalah cukup. Pada tanggal 31 Desember 2017, jumlah piutang Perusahaan yang belum jatuh tempo dan tidak mengalami penurunan nilai adalah sebesar Rp20.607.638. Manajemen berkeyakinan bahwa tidak ada risiko kredit kualitas yang

Management believes that the allowances made for impairment losses are adequate. As of December 31, 2017, the Company's receivables balance that is neither past due nor impaired amounted to Rp20,607,638. Management believes there is no heightened risk of poor credit quality of accounts receivable because it has a broad

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buruk karena Perusahaan memiliki jumlah pelanggan yang besar, tersebar mencakupi segmen pasar dan area geografis yang luas di seluruh Indonesia. Kesimpulan ini didukung juga oleh data historis kolektibilitas Perusahaan atas piutang usaha yang baik selama beberapa tahun.

customer base, dispersed across varying market segments and geographic locations throughout Indonesia. This assessment is also supported by the Company's good historical collection rate of trade receivable across the years.

15. Piutang Subsidi Listrik

15. Receivables on Electricity Subsidy

	2017 Rp	2016 Rp	
Tahun anggaran			<i>Budget years</i>
2015	--	5,220,148	<i>2015</i>
2016	7,225,962	7,225,962	<i>2016</i>
2017	363,015	--	<i>2017</i>
Jumlah	7,588,977	12,446,110	Total

Selama tahun 2017, Perusahaan telah menerima piutang subsidi listrik tahun anggaran 2015 sebesar Rp5.220.148.

In 2017, the Company collected receivables on electricity subsidy for budget year 2015 amounting to Rp5,220,148.

Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Risiko kredit pada piutang subsidi listrik dianggap dapat diabaikan, sebab pihak lawan merupakan Pemerintah Indonesia.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The credit risk on receivables on electricity subsidy is considered negligible, since the counterparty is the Government of Indonesia.

16. Piutang Lain-Lain

16. Other Receivables

	2017 Rp	2016 Rp	
Karyawan	419,355	373,652	<i>Employees</i>
Lain-lain	1,887,831	2,388,197	<i>Others</i>
Jumlah	2,307,186	2,761,849	<i>Total</i>
Dikurangi bagian jangka pendek	1,672,237	2,411,384	<i>Less current portion</i>
Bagian jangka panjang	634,949	350,465	Long-term portion

Karyawan

Piutang karyawan merupakan pinjaman kepemilikan rumah. Pelunasan piutang dilakukan melalui pemotongan gaji.

Employees

Account receivables from employees represent housing loans, which are paid monthly through salary deduction.

Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Manajemen Perusahaan berpendapat bahwa piutang tersebut dapat tertagih.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The Company's management considers these receivables to be collectible.

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17. Persediaan

17. Inventories

	2017 Rp	2016 Rp	
Batubara, bahan bakar dan pelumas	6,834,510	6,066,737	Coal, fuel and lubricants
Persediaan umum	2,841,745	2,827,297	General supplies
Switchgear dan jaringan	1,941,795	1,701,724	Switchgear and network
			Meter recording device and control equipment
Alat ukur, pembatas dan kontrol	966,924	745,438	Transformers
Transformator	243,968	250,364	Wire
Kabel	120,214	93,361	Total
Jumlah	12,949,156	11,684,921	Allowance for decline in value
Penyisihan penurunan nilai	(121,038)	(115,325)	
Bersih	12,828,118	11,569,596	Net
Mutasi penyisihan penurunan nilai			Changes in allowance for decline in value
Saldo awal tahun	(115,325)	(115,553)	Balance at beginning of year
Pemulihan (penambahan)	(5,713)	228	Recovery (addition)
Saldo akhir tahun	(121,038)	(115,325)	Balance at end of year

Manajemen berpendapat bahwa penyisihan yang ditetapkan memadai untuk menutup risiko penurunan nilai persediaan.

Management believes that the allowance is adequate to cover possible losses on the decline in value of inventories.

Perusahaan dan entitas anak tidak mengasuransikan persediaan untuk menutup risiko atas kemungkinan kerugian yang timbul pada persediaan.

The Company and its subsidiaries do not have any insurance coverage to cover the possible losses in inventories.

18. Pajak Dibayar Dimuka

18. Prepaid Taxes

	2017 Rp	2016 Rp	
Pajak penghasilan badan lebih bayar			Overpayment of corporate income tax
Perusahaan			The Company
2017	91,988	--	2017
2016	--	105,548	2016
2015	--	2,323,797	2015
2014	--	147,993	2014
Entitas anak			Subsidiaries
2017	521,690	--	2017
2016	716,827	716,827	2016
2015	--	126,990	2015
Bea materai	37,343	23,977	Stamp duty
Pajak pertambahan nilai	1,198,810	821,211	Value added tax
Pembayaran dimuka atas Surat Ketetapan			Prepayment of Tax Assessment Letter for Underpayment
Pajak Kurang Bayar	2,430,735	2,940,187	
Jumlah	4,997,393	7,206,530	Total

Lihat catatan 47 untuk informasi mengenai beban pajak penghasilan dan surat ketetapan pajak.

Refer to Note 47 for income tax expense information and tax assessment letters.

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19. Biaya Dibayar di Muka dan Uang Muka

19. Prepaid Expenses and Advances

	2017 Rp	2016 Rp	
Biaya dibayar dimuka			<i>Prepaid expenses</i>
Premi asuransi	75,706	79,261	<i>Insurance</i>
Sewa	58,450	119,351	<i>Rent</i>
Subjumlah	134,156	198,612	<i>Subtotal</i>
Uang muka			<i>Advances</i>
Pembelian barang	864,840	199,749	<i>Purchases</i>
Lain-lain	630,613	499,678	<i>Others</i>
Subjumlah	1,495,453	699,427	<i>Subtotal</i>
Jumlah	1,629,609	898,039	Total

20. Modal Saham dan Saldo Laba

20. Capital Stock and Retained Earnings

Modal saham

Seluruh saham Perusahaan dimiliki oleh Pemerintah Republik Indonesia.

Pada tanggal 31 Desember 2017, Perusahaan mempunyai modal dasar sebesar Rp439.000.000 yang terbagi atas 439.000.000 saham dengan nilai nominal Rp1 per saham.

Berdasarkan Rapat Umum Pemegang Saham ("RUPS") Luar Biasa tanggal 18 Juli 2001, sebagaimana dinyatakan dalam Akta No. 43 tanggal 26 Oktober 2001 dari Haryanto, S.H., notaris di Jakarta, pemegang saham menyetujui antara lain:

- Melakukan konversi utang Perusahaan kepada Pemerintah sebesar Rp28.781.355, yang berasal dari tunggakan bunga dan denda penerusan pinjaman menjadi tambahan penyertaan modal Pemerintah. Konversi utang menjadi penyertaan modal telah memperoleh persetujuan Menteri Keuangan Republik Indonesia sesuai surat No. S-352/MK.06/2001 tanggal 20 Juni 2001.
- Meningkatkan modal ditempatkan dan disetor sebesar Rp28.781.354, sehingga modal ditempatkan dan disetor Perusahaan menjadi sebesar Rp46.107.154, terbagi atas 46.107.154 saham dengan nilai nominal Rp1 per saham.

Capital stock

The Company's shares of stock are wholly owned by the Government of the Republic of Indonesia.

As of December 31, 2017, the Company has authorized capital amounting to Rp439,000,000 consisting of 439,000,000 shares, with par value of Rp1 per share.

Based on the Extraordinary Stockholders' General Meeting ("RUPS") dated July 18, 2001, as stated in Deed No. 43 dated October 26, 2001 of Haryanto, S.H., notary in Jakarta, the stockholders approved among other items as follows:

- Convert the Company's liability to the Government amounted Rp28,781,355, arising from overdue interest and penalty on two-step loans into Government Equity Participation. The conversion was approved by the Minister of Finance of the Republic of Indonesia in its decision letter No. S-352/MK.06/2001 dated June 20, 2001.
- Increase the subscribed and paid-up capital by Rp28,781,354, resulting in the Company's total subscribed and paid-up capital amounting to Rp46,107,154 consisting of 46,107,154 shares with par value of Rp1 per share.

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Pada tanggal 1 Agustus 2001, tambahan penyertaan modal Pemerintah tersebut telah ditetapkan dalam Peraturan Pemerintah No.61 tahun 2001.

On August 1, 2001, the additional equity participation from Government has been stated in Government Regulation No.61 year 2001.

Pada tanggal 4 Maret 2011, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 20 tahun 2011 sehubungan dengan tambahan penyertaan modal Pemerintah pada Perusahaan sebanyak 90.226 saham atau sebesar Rp90.226. Tambahan penyertaan modal Pemerintah tersebut dilakukan dengan cara mengalihkan seluruh saham milik Pemerintah pada PT Pelayaran Bahtera Adhiguna.

On March 4, 2011, the Government of the Republic of Indonesia issued Government Regulation No. 20 year 2011 relating to the increase in the Government's equity participation in the Company, consisting of 90,226 shares or an equivalent of Rp90,226. The increase in the Government's equity participation in the Company is through the transfer of the Government's share in PT Pelayaran Bahtera Adhiguna.

Berdasarkan keputusan pemegang saham Perusahaan di luar Rapat Umum Pemegang Saham No. KEP-118/MBU/2011 tanggal 27 Mei 2011, sebagaimana tercantum dalam akta notaris No. 4 tanggal 5 Agustus 2011 dari Lenny Janis Ishak, S.H., notaris di Jakarta, pemegang saham menyetujui pengeluaran saham baru Perusahaan untuk diambil bagian oleh Pemerintah Republik Indonesia sebesar Rp90.226 atau sebanyak 90.226 saham. Penambahan penerbitan saham kepada Pemerintah Republik Indonesia berasal dari pengalihan 21.674 saham milik Pemerintah Republik Indonesia pada PT Pelayaran Bahtera Adhiguna kepada Perusahaan. Keputusan ini mulai berlaku sejak tanggal penandatanganan akta pengalihan saham PT Pelayaran Bahtera Adhiguna dari Pemerintah Republik Indonesia kepada Perusahaan di tahun 2011.

Based on the decision of the Company's shareholders at the General Shareholders Meeting No. KEP-118/MBU/2011, dated May 27, 2011, as stated in Deed No. 4, dated August 5, 2011 of Lenny Janis Ishak, S.H., notary in Jakarta, the stockholders approved the new issuance of the Company's shares as stocks to the Government of Republic of Indonesia in the amount of Rp90,226, equivalent to 90,226 shares. The additional issuance of shares to the Government of the Republic of Indonesia came from the transfer of 21,674 shares of the Government of the Republic of Indonesia in PT Pelayaran Bahtera Adhiguna to the Company. The Decision has been effective since the date the Company received the Deed of Transfer of PT Pelayaran Bahtera Adhiguna shares of the Government of the Republic of Indonesia to the Company in 2011.

Berdasarkan surat Menteri BUMN No. S-82/MBU/01/2016 tanggal 25 Januari 2016, sebagaimana tercantum dalam akte notaris No. 12 tanggal 22 Februari 2016, pernyataan Keputusan Menteri BUMN sebagai RUPS menyetujui hal-hal sebagai berikut:

Based on letter of Minister of BUMN No. S-82/MBU/01/2016 dated January 25, 2016, as stated in notarial deed No. 12 dated February 22, 2016, the decision of Minister of BUMN as RUPS approved items as following:

- Peningkatan modal dasar menjadi sebesar Rp204.000.000.
- Penambahan penyertaan modal Negara sebesar 9.468.627 lembar saham dengan nilai Rp9.468.627 sehingga meningkatkan modal ditempatkan dan disetor menjadi Rp55.666.007.

- Increase of authorized capital stock to Rp204,000,000.
- Additional Government's equity participation of 9,468,627 shares amounted to Rp9,468,627, increase in subscribed and paid-up capital to Rp55,666,007.

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Berdasarkan surat Menteri BUMN No. S-271/MBU/05/2017 tanggal 4 Mei 2017, pernyataan Keputusan Menteri BUMN sebagai RUPS menyetujui hal-hal sebagai berikut:

- Peningkatan modal dasar menjadi sebesar Rp439.000.000.
- Penambahan penyertaan modal negara sebesar 54.160.519 lembar saham dengan nilai Rp54.160.519 sehingga meningkatkan modal ditempatkan dan disetor menjadi Rp109.826.526, dengan rincian sebagai berikut:
 - Berdasarkan Peraturan Pemerintah No. 16 dan No. 17 tahun 2016 tanggal 25 Mei 2016, sebesar masing-masing Rp8.860.208 dan Rp11.159.688.
 - Sebesar Rp10.580.623 berasal dari Penambahan Modal Negara Republik Indonesia, berdasarkan Peraturan Pemerintah No. 33 tahun 2016 tanggal 8 Agustus 2016.
 - Sebesar Rp23.560.000 berasal dari Penambahan Modal Negara Republik Indonesia, berdasarkan Peraturan Pemerintah No. 91 tahun 2016 tanggal 30 Desember 2016.

Atas persetujuan Penyertaan Modal Negara tersebut, maka pada tahun berjalan penyertaan modal Negara dalam proses penerbitan saham direklasifikasi ke modal ditempatkan dan disetor.

Saldo laba

Saldo laba terdiri dari:

- i. Saldo laba yang ditentukan penggunaannya
Berdasarkan Undang-Undang Perseroan Terbatas, Perusahaan diharuskan untuk membuat penyisihan cadangan wajib hingga sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh.

Berdasarkan RUPS tahun 2015 No. SKU-146/MBU/06/2016 pada tanggal 30 Juni 2016, terdapat saldo laba tahun 2015 yang ditetapkan sebagai cadangan umum sebesar Rp13.431.547.

Based on letter of Minister of BUMN No. S-271/MBU/05/2017 dated May 4, 2017, the decision of Minister of BUMN as RUPS approved items as following:

- Increase of authorized capital stock to Rp439,000,000.
- Additional Government's equity participation of 54,160,519 shares amounted to Rp54,160,519, increase in subscribed and paid-up capital to Rp109,826,526, with details as follows:
 - Based on Government Regulation No. 16 and No. 17 year 2016 dated May 25, 2016, amounting to Rp8,860,208 and Rp11,159,688, respectively.
 - Amounting to Rp10,580,623 were from Government's Equity Participation, based on Government Regulation No. 33 year 2016 dated August 8, 2016.
 - Amounting to Rp23,506,000 were from Government's Equity Participation, based on Government Regulation No. 91 year 2016 dated December 30, 2016.

Following the approval for the Government Participation, therefore in current year the stock subscription from Government in issuance process has been reclassified to subscribed and paid-up capital.

Retained earnings

Retained earnings consist of:

- i. Appropriated retained earnings

Under Indonesian Limited Company Law, the Company is required to establish a statutory reserve amounting to at least 20% of the Company's subscribed and paid-up capital.

Based on RUPS for the year 2015 No. SKU-146/MBU/06/2016 dated June 30, 2016, there is an allocation of appropriated from the 2015 retained earnings amounting to Rp13,431,547.

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Berdasarkan RUPS tahun 2016 No. RIS-08/D2.MBU/05/2017 pada tanggal 26 Mei 2017, terdapat saldo laba tahun 2016 yang ditetapkan sebagai cadangan umum sebesar Rp8.361.075.

Based on RUPS for the year 2016 No. RIS-08/D2.MBU/05/2017 dated May 26, 2017, there is an allocation of appropriated from the 2016 retained earnings amounting to Rp8,361,075.

Saldo laba yang dicadangkan pada tanggal 31 Desember 2017 dan 2016 adalah sebesar Rp48.665.115 dan Rp40.304.040 atau 44% dan 72% dari jumlah modal yang ditempatkan dan disetor penuh.

The balance of the appropriated retained earnings as of December 31, 2017 and 2016 amounted to Rp48,665,115 and Rp40,304,040 or 44% and 72%, respectively of the Company's subscribed and paid-up capital.

- ii. Saldo laba yang tidak ditentukan penggunaannya
Pada tanggal 31 Desember 2017 dan 2016 saldo laba yang tidak ditentukan penggunaannya masing-masing sebesar Rp71.093.240 dan Rp77.194.942.

- ii. *Unappropriated retained earnings*

On December 31, 2017 and 2016 the balance of the unappropriated retained earnings amounted to Rp71,093,240 and Rp77,194,942, respectively.

Dividen per lembar saham

Pada tahun 2017 dan 2016, Perusahaan membagikan total dividen kas untuk tahun 2016 dan 2015 masing-masing sejumlah Rp2.150.837 atau Rp 19.584 (nilai penuh) per lembar saham dan Rp2.137.752 atau Rp38.403 (nilai penuh) per lembar saham.

Dividends per share

As of 2017 and 2016, the Company paid a total of cash dividend for 2016 and 2015 amounting to Rp2,150,837 or Rp19,584 (full amount) per share and Rp2,137,752 or Rp38,403 (full amount) per share, respectively.

21. Tambahan Modal Disetor dan Penyertaan Modal Negara dalam Proses Penerbitan Saham

21. Additional Paid-In Capital and Stock Subscription from Government in Issuance Process

a. Tambahan modal disetor

Tambahan modal disetor terdiri dari tambahan penyertaan modal Pemerintah yang diterima Perusahaan yang statusnya belum ditetapkan dan sebagai akibat keikutsertaan Perusahaan dalam pengampunan pajak, dengan rincian sebagai berikut:

a. Additional paid-in capital

Additional paid-in capital consists of the Government's additional equity participation received by the Company of which the status has not been determined and as a result of the Company's participation in Tax amnesty program with the following details:

	2017 Rp	2016 Rp	
Bantuan Pemerintah yang belum ditetapkan statusnya :			<i>Government's participation which status has not been determined :</i>
Bantuan proyek	2,117,922	2,117,922	<i>Project aid</i>
Daftar isian pelaksanaan anggaran	18,611,979	18,303,679	<i>List of project fund</i>
Bantuan Pemerintah daerah dan lainnya	--	1,281,038	<i>Local Government participation and others</i>
Subjumlah	20,729,901	21,702,639	<i>Subtotal</i>
Pengampunan pajak :			<i>Tax amnesty :</i>
Aset pengampunan pajak	141,364	94,377	<i>Tax amnesty assets</i>
Jumlah	20,871,265	21,797,016	Total

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Bantuan proyek merupakan bantuan luar negeri untuk bidang kelistrikan yang diteruskan Pemerintah Republik Indonesia kepada Perusahaan.

Daftar Isian Pelaksanaan Anggaran ("DIPA") merupakan penerimaan dari Pemerintah Republik Indonesia dalam bentuk proyek kelistrikan melalui Kementerian ESDM.

Bantuan Pemerintah daerah antara lain berupa tanah dan jaringan listrik yang disumbangkan kepada Perusahaan.

Jumlah aset yang didonasikan oleh Pemerintah Republik Indonesia telah dicatat sebagai penambahan aset.

Di tahun 2017 dan 2016, Tambahan modal disetor berasal dari partisipasi Perusahaan dan Entitas Anak dalam Pengampunan Pajak adalah masing-masing sebesar Rp141.364 dan Rp94.693 (Catatan 47).

b. Penyertaan Modal Negara dalam proses penerbitan saham

Pada tanggal 28 Desember 2015, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 42 tahun 2015 dan No. 125 tahun 2015 sehubungan dengan penambahan modal saham (Penyertaan Modal Pemerintah) sejumlah masing-masing Rp4.468.627 dan Rp5.000.000. Sejumlah Rp5.000.000 merupakan setoran tunai, sedangkan Rp4.468.627 merupakan reklasifikasi dari tambahan modal disetor.

Per tanggal 31 Desember 2016, sesuai dengan akta notaris dari Lenny Janis Ishak, S.H., No. 12 tanggal 22 Februari 2016, akun ini telah direklasifikasi ke modal ditempatkan dan disetor.

Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 16 tahun 2016 dan No. 17 tahun 2016 serta No. 33 tahun 2016 sehubungan dengan penambahan modal saham (Penyertaan Modal Negara) sebesar masing-masing Rp8.860.208 dan Rp11.159.688 serta Rp10.580.623 yang merupakan reklasifikasi dari tambahan modal disetor.

Project aid represents overseas aid for electricity projects, which was channelled by the Government of the Republic of Indonesia to the Company.

The List of Project Fund ("LFP") represents electricity projects received from the Government of the Republic of Indonesia through the Ministry of ESDM.

Local Government participation represents land and electricity equipment donated by the Local Government to the Company.

The total amount of assets contributed by the Government of the Republic of Indonesia that have been recognized as addition of assets.

In year 2017 and 2016, Additional paid-in capital arising from the Company's and Subsidiaries' participation in Tax Amnesty were amounted to Rp141,364 and Rp94,693, respectively (Note 47).

b. Stock subscription from Government in issuance process

On December 28, 2015, the Government of Republic of Indonesia issued Regulation No. 42 year 2015 and No. 125 year 2015 regarding additional capital stock (Government's equity participation) amounting to Rp4,468,627 and Rp5,000,000, respectively. An amount of Rp5,000,000 was in cash, whereas Rp4,468,627 was reclassified from additional paid-in capital.

As of December 31, 2016, based on notarial deed of Lenny Janis Ishak, S.H., No. 12 dated February 22, 2016, this account has been reclassified to subscribed and paid-up capital.

The Government of Republic of Indonesia issued Government Regulation No. 16 year 2016 and No. 17 Year 2016 and No. 33 year 2016 regarding additional capital stock (Government's Equity Participation) amounting to Rp8,860,208, Rp11,159,688 and Rp10,580,623, respectively, which was reclassified from additional paid-in-capital.

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Pada tanggal 30 Desember 2016, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 91 tahun 2016 sehubungan dengan penambahan modal saham (Penyertaan Modal Negara) sebesar Rp23.560.000.

Berdasarkan surat Menteri BUMN No. S-271/MBU/05/2017 tanggal 4 Mei 2017, dilakukan reklasifikasi dari pernyataan modal negara dalam proses penerbitan saham ke modal ditempatkan dan disetor penuh sebesar Rp54.160.519.

On the December 30, 2016, the Government of Republic of Indonesia issued Government Regulation No. 91 year 2016 regarding additional capital stock (Government's Equity Participation) amounting to Rp23,560,000.

Based on the Minister of BUMN's letter No. S-271/MBU/05/2017 dated May 4, 2017, the Company reclassified from stock subscription from Government in issuance process to subscribed and paid-up capital stock amounting to Rp54,160,519.

22. Pendapatan Ditangguhkan

Akun ini merupakan penerimaan dari pelanggan yang mana jasa penyambungan terkait belum diselesaikan oleh Perusahaan. Rincian pendapatan ditangguhkan adalah sebagai berikut:

	2017 Rp	2016 Rp	
Saldo awal tahun	1,147,227	1,533,703	Balance at beginning of year
Penerimaan tahun berjalan Diakui sebagai pendapatan tahun berjalan	7,184,627	6,665,660	Addition during the year Recognized as revenue during the year
Saldo akhir tahun	1,218,400	1,147,227	Balance at end of year

22. Deferred Revenue

This account represents connection fees received from customers for which the connection services have not been completed by the Company. Details of the deferred revenue are as follows:

23. Penerusan Pinjaman

Akun ini merupakan pinjaman luar negeri Pemerintah Republik Indonesia yang tidak diikat jaminan dan diteruskan kepada Perusahaan untuk membiayai proyek-proyek Perusahaan. Rincian penerusan pinjaman adalah sebagai berikut:

23. Two-Step Loans

This account represents overseas, collateral-free loans of the Government of the Republic of Indonesia which are passed on to the Company to finance its projects. The details of the two-step loans are as follows:

	2017					Periode/ Period **)
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	
International Bank for Reconstruction and Development (IBRD) US\$						
IBRD - 4712 dan/and 7758 IND - 1165	48,280,898	654,110	126,999	527,111	LIBOR Total Spread + 0.35% p.a	2004 - 2023
IBRD - 7905 IND - 1235	18,679,717	253,317	--	253,317	LIBOR + variable spread + 0.45% p.a	2010 - 2034
IBRD - 7940 IND - 1238	129,504,864	1,754,532	--	1,754,532	LIBOR + variable spread + 0.45% p.a	2011 - 2034
IBRD - 8057 IND - 1244	32,093,145	434,798	--	434,798	IBRD + variable spread + 0.45% p.a	2012 - 2035
IBRD 8280 ID - 1256	38,820,116	525,935	--	525,935	LIBOR + variable spread + 0.45% p.a	2014 - 2034

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	2017					Periode/ Period **)
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	
Asian Development Bank (ADB)						
US\$						
ADB - 1982 INO - 1170	117,148,496	1,587,128	98,567	1,488,561	LIBOR + 0.35% p.a	2004 - 2027
ADB - 1983 INO - 1171	79,569,625	1,078,009	66,949	1,011,060	LIBOR + 0.35% p.a	2004 - 2027
ADB - 2619 INO - 1236	37,336,925	505,841	11,481	494,360	LIBOR + 0.6% + 0.4% + 0.45% p.a	2010 - 2035
ADB 3015 INO - 1255	30,079,899	407,523	20,117	387,406	LIBOR + 0.60% + 0.45% p.a	2014 - 2033
ADB 3083 INO - 1257	13,623,577	184,572	--	184,572	LIBOR + 0.60% + 0.45% p.a	2014 - 2033
ADB 8276 INO - 1258	1,507,721	20,427	--	20,427	LIBOR + 1.40% + 0.45% p.a	2014 - 2033
Kreditanstalt Fur Wiederaufbau, Jerman (KfW)						
EUR						
KfW - 95.65.136 - 934a	3,245,830	52,497	17,499	34,998	0.75% + 2% dan/ and 2% + 0.35% dan/ and KfW + 0.35% p.a	1996 - 2020
KfW - 10599 IND - 1179	1,177,695	19,048	19,048	--	4.86% + 0.35% p.a	2003 - 2018
Japan Bank for International Cooperation (dth The Export-Import Bank of Japan)						
JPY						
JBIC IP 512 - 1163	42,263,808,000	5,080,887	317,555	4,763,332	1.8% + 0.35% p.a	2004 - 2033
JBIC IP 513 - 1164	12,898,784,000	1,550,671	96,917	1,453,754	1.8% + 0.35% p.a	2004 - 2033
JBIC IP 515 - 1177	45,553,398,000	5,476,356	331,900	5,144,456	1.3% + 0.35% p.a	2004 - 2034
JBIC IP 516 - 1196	485,109,000	58,319	2,201	56,118	0.75% + 0.35% p.a	2004 - 2044
JBIC IP 517 - 1178	4,200,303,000	504,954	19,055	485,899	0.75% + 0.35% p.a	2004 - 2044
JBIC 1187	375,430,598	45,134	30,089	15,045	2.01% + 1.99% + 0.35% p.a	2004 - 2019
JBIC IP 525 - 1197	14,488,100,000	1,741,736	63,336	1,678,400	0.75% + 0.35% p.a	2005 - 2045
JBIC IP 526 - 1198	610,769,778	73,426	2,670	70,756	0.75% + 0.35% p.a	2005 - 2045
JBIC IP 527 - 1211	9,677,262,639	1,163,385	56,750	1,106,635	1.75% p.a	2007 - 2037
JBIC IP 532 - 1214	1,130,824,901	135,946	108,957	26,989	1.2% p.a	2006 - 2048
JBIC IP 537 - 1220	64,805,810	7,791	7,791	--	1.95% p.a	2009 - 2037
JBIC IP 538 - 1221	15,282,898,960	1,837,286	102,544	1,734,742	1.2% p.a	2009 - 2047
JBIC IP 539 - 1222	9,556,794,000	1,148,902	58,918	1,089,984	1.95% p.a	2009 - 2037
JICA IP 555 - 1231	1,572,911,089	189,093	--	189,093	0.012% p.a	2013 - 2039
JICA IP 556 - 1249	1,706,628,617	205,168	--	205,168	1.4% + 0.45% p.a	2013 - 2040
JICA - IP 560 - 1253	1,012,008,401	121,662	--	121,662	0.3% + 0.45% dan/ and 0.01% + 0.45% p.a	2013 - 2053
JBIC - 1243	1,739,865,998	209,164	46,485	162,679	1.82% + 1.04% + 0.45% p.a	2012 - 2022
JBIC - 1188	124,351,289	14,949	14,949	--	4.02% + 0.35% p.a	2005 - 2018
JBIC - 1192	926,209,575	111,347	111,347	--	4.47% + 0.35% p.a	2005 - 2018
JBIC LA No 1 - 1216	2,419,585,524	290,879	126,882	163,997	4.41% p.a	2008 - 2020
JBIC LA No 2 - 1219	432,417,104	51,984	51,984	--	3.9% p.a	2008 - 2018
JBIC LA No 3 - 1233	328,535,547	39,496	19,590	19,906	3.91% p.a	2010 - 2020
JBIC LA No 4 - 1234	998,957,100	120,093	63,204	56,889	3.74% p.a	2010 - 2020
JBIC LA No 5 - 1218	2,154,874,318	259,055	87,724	171,331	3.98% p.a	2008 - 2020
JBIC - LA 043190-004 - 1250	346,875,802	41,701	2,494	39,207	1.58% + 0.62% + 0.45% p.a	2013 - 2025
JICA - IP 561 - 1252	297,898,894	35,813	--	35,813	0.01% + 0.45% p.a	2013 - 2053
JICA - IP 572 - 1256	46,145,060	5,547	--	5,547	0.01% + 0.01% p.a	2016 - 2055
Midland Bank Public Limited Company						
Rupiah						
Midland Bank - 798	--	44,809	14,936	29,873	SUN benchmark related to the year with tenor 20 years	1995 - 2020
Midland Bank - 818	--	3,430	1,372	2,058	SUN benchmark related to the year with tenor 20 years	1995 - 2020
Banque Paribas						
Banque Paribas 1063- GBP	5,060,582	92,194	18,439	73,755	3.343%+ 0.35% p.a	1998 - 2022
EUR						
Banque Paribas - 1158	5,436,267	87,924	30,084	57,840	Lender interest rate to Government + 0.35% p.a	2002 - 2018
Banque Paribas - 1176	867,807	14,036	14,036	--	4.76% + 0.35% p.a	2004 - 2018
Calyon and BNP Paribas						
EUR						
Calyon BNP Paribas - 1175	671,010	10,853	10,853	--	5.32% + 0.35% p.a	2004 - 2018
BNP Paribas dan/and Calyon 1206	12,857,094	207,945	83,178	124,767	4.81% p.a	2006 - 2020
Kingdom of Belgium / Kerajaan Belgia - EUR						
Kerajaan Belgia - 1185	1,807,342	29,231	1,827	27,404	0.35% p.a	2005 - 2033
Efic Australia - AUD 1071	6,491,456	68,531	15,229	53,302	3% + 0.35% p.a	1997 - 2022
China Exim Bank 1181 - US\$	18,574,939	251,653	251,653	--	3% + 0.35% p.a	2003 - 2018
China Exim Bank 1248 - US\$	90,368,570	1,224,313	104,130	1,120,183	3% + 0.35% p.a	2013 - 2027
China Exim Bank 1260 - US\$	154,388,984	2,091,662	--	2,091,662	3% + 0.35% p.a	2015 - 2029
China Exim Bank 1261 - US\$	108,237,447	1,466,401	--	1,466,401	3% + 0.35% p.a	2015 - 2029
MKB Hungaria 1180 - US\$	313,552	4,248	4,248	--	4.81% + 0.35% p.a	2005 - 2018
AG Francaise 101901F - 1237 - US\$	19,121,875	259,063	67,740	191,323	AFD + 0.47%+0.45% p.a	2010 - 2035
AFD - 1254 - US\$	26,071,951	353,222	33,531	319,691	LIBOR + 0.89% + 0.45% p.a	2013 - 2028
AFD OD 1039 01H - 1259 - US\$	994,346	13,472	734	12,738	LIBOR + 2.05%+0.35% p.a	2014 - 2026
Total		34,221,468	2,735,992	31,485,476		

*) Dalam jumlah penuh/ In full amount

**) Termasuk masa tenggang pembayaran/ Include grace periods in terms of payments

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	2016					
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp				
International Bank for Reconstruction and Development (IBRD)						
US\$						
IBRD - 4712 dan/ and 7758 IND - 1165	57,492,186	772,465	123,763	648,702	LIBOR Base Rate + LIBOR Total Spread + 0,35%	2004 - 2023
IBRD - 7905 IND - 1235	18,698,765	251,237	--	251,237	LIBOR + variable spread + 0,45%	2010 - 2034
IBRD - 7940 IND - 1238	107,620,142	1,445,984	--	1,445,984	LIBOR + variable spread+ 0,45%	2011 - 2034
IBRD - 8057 IND - 1244	30,963,783	416,029	--	416,029	IBRD + variable spread + 0,45%	2012 - 2035
IBRD 8280 ID - 1256	20,376,581	273,780	--	273,780	LIBOR + variable spread + 0,45%	2014 - 2034
Asian Development Bank (ADB)						
US\$						
ADB - 1982 INO - 1170	123,730,235	1,662,439	88,432	1,574,007	LIBOR + 0,35%	2004 - 2027
ADB - 1983 INO - 1171	84,040,075	1,129,162	60,065	1,069,097	LIBOR + 0,35%	2004 - 2027
ADB - 2619 INO - 1236	38,105,575	511,987	10,328	501,659	LIBOR + 0,6% - 0,4% + 0,45%	2010 - 2035
ADB 3015 INO - 1255	28,081,613	377,305	15,100	362,205	LIBOR + 0,60% + 0,45%	2014 - 2033
ADB 3083 INO - 1257	1,916,913	25,756	--	25,756	LIBOR + 0,60% + 0,45%	2014 - 2033
ADB 8276 INO - 1258	212,900	2,861	--	2,861	LIBOR + 1,40% + 0,45%	2014 - 2033
Kreditanstalt Für Wiederaufbau, Jerman (KfW)						
EUR						
KfW - 95.65.136 - 934a	4,327,774	61,288	15,322	45,966	0,75% + 2% dan/ and 2% + 0,35% dan/ and KfW + 0,35%	1996 - 2020
KfW - 10599 IND - 1179	3,533,086	50,034	33,356	16,678	4,86% +0,35%	2003 - 2018
US\$						
KfW - 10598 IND - 1183	1,099,231	14,769	14,769	--	4,75% + 0,35%	2004 - 2017
Japan Bank for International Cooperation/ Japan International Cooperation Agency (dih The Export-Import Bank of Japan)						
JPY						
JIBC IP 512 - 1163	44,905,296,000	5,182,291	304,841	4,877,450	1,8% + 0,35%	2004 - 2033
JIBC IP 513 - 1164	13,704,958,000	1,581,619	93,036	1,488,583	1,8% + 0,35%	2004 - 2033
JIBC IP 515 - 1177	48,314,210,000	5,575,696	318,611	5,257,085	1,3% + 0,35%	2004 - 2034
JIBC IP 516 - 1196	503,415,000	58,097	2,113	55,984	0,75% + 0,35%	2004 - 2044
JIBC IP 517 - 1178	4,358,805,000	503,027	18,292	484,735	0,75% + 0,35%	2004 - 2044
JIBC - 1187	625,717,662	72,211	28,884	43,327	2,01% + 1,99% + 0,35%	2004 - 2019
JIBC IP 525 - 1197	15,014,840,000	1,732,798	60,800	1,671,998	0,75% + 0,35%	2005 - 2045
JIBC IP 526 - 1198	632,979,588	73,049	2,563	70,486	0,75% + 0,35%	2005 - 2045
JIBC IP 527 - 1211	9,677,262,639	1,116,803	27,239	1,089,564	1,75%	2007 - 2037
JIBC IP 532 - 1214	1,071,392,269	123,644	--	123,644	1,20%	2006 - 2048
JIBC IP 537 - 1220	284,232,810	32,802	25,323	7,479	1,95%	2009 - 2037
JIBC IP 538 - 1221	13,107,907,123	1,512,717	98,444	1,414,273	1,20%	2009 - 2047
JIBC IP 539 - 1222	9,782,320,654	1,128,928	90,744	1,038,184	1,95%	2009 - 2037
JICA IP 555 - 1231	1,412,791,775	163,043	--	163,043	0,012%	2013 - 2039
JICA IP 556 - 1249	1,706,628,617	196,953	--	196,953	1,4% + 0,45%	2013 - 2040
JICA - IP 560 - 1253	146,127,599	16,864	--	16,864	0,3% + 0,45% dan/ and 0,01% + 0,45%	2013 - 2053
JIBC - 1243	2,126,533,998	245,412	44,623	200,789	1,82% + 1,04% + 0,45%	2012 - 2022
JIBC - 1188	248,702,574	28,701	14,350	14,351	4,02% + 0,35%	2005 - 2018
JIBC - 1192	2,778,628,705	320,667	213,778	106,889	4,47% + 0,35%	2005 - 2018
JIBC LA No 1 - 1216	3,475,011,524	401,033	121,801	279,232	4,41%	2008 - 2020
JIBC LA No 2 - 1219	906,041,104	104,562	54,659	49,903	3,90%	2008 - 2018
JIBC LA No 3 - 1233	491,491,547	56,721	18,806	37,915	3,91%	2010 - 2020
JIBC LA No 4 - 1234	1,524,699,100	175,958	60,673	115,285	3,74%	2010 - 2020
JIBC LA No 5 - 1218	2,884,580,318	332,895	84,212	248,683	3,98%	2008 - 2020
JIBC - LA 043190-004 -1250	83,451,648	9,631	--	9,631	1,58% + 0,62% + 0,45%	2013 - 2025
JICA - IP 561 - 1252	126,748,996	14,627	--	14,627	0,01% + 0,45%	2012 - 2053
Midland Bank Public Limited Company						
Rupiah						
Midland Bank - 798	--	59,745	14,936	44,809	SUN benchmark related to the year with tenor 20 years	1995 - 2020
Midland Bank - 818	--	4,802	1,372	3,430	SUN benchmark related to the year with tenor 20 years	1995 - 2020
Banque Paribas						
Banque Paribas 1063- GBP	6,072,698	100,245	16,708	83,537	3,343%+ 0,35%	1998 - 2022
EUR						
Banque Paribas - 1158	7,869,441	111,443	34,457	76,986	Lender interest rate to Government + 0,35%	2002 - 2020
Banque Paribas - 1176	2,603,421	36,868	24,579	12,289	4,76% + 0,35%	2004 - 2018
Calyon and BNP Paribas						
EUR						
Calyon BNP Paribas - 1175	1,342,021	19,004	9,502	9,502	5,32% + 0,35%	2004 - 2018
BNP Paribas dan/ and Calyon 1206	17,999,931	254,906	72,830	182,076	4,81%	2006 - 2020

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	2016		Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period **)
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp				
Kerajaan Belgia/ Kingdom of Belgium - EUR						
Kerajaan Belgia - 1185	1,920,300	27,194	1,600	25,594	0.35%	2005 - 2033
Fortis Bank Belgia - 1186 EUR	156,317	2,214	2,214	--	4,82% + 0,35%	2005 - 2017
Efic Australia - AUD 1071	7,934,002	77,153	14,028	63,125	3% + 0,35%	1997 - 2022
China Exim Bank 1181 - US\$	37,149,879	499,146	249,573	249,573	3% + 0,35%	2003 - 2018
China Exim Bank 1248 - US\$	65,931,229	885,852	--	885,852	3% + 0,35%	2013 - 2029
China Exim Bank 1260 - US\$	67,508,912	907,050	--	907,050	3% + 0,35%	2015 - 2030
China Exim Bank 1261-US\$	18,926,646	254,298	--	254,298	3% + 0,35%	2015 - 2030
MKB Hungaria 1180 - US\$	940,656	12,639	8,426	4,213	4,81% + 0,35%	2005 - 2018
AG Francaise 101901F - 1237 - US\$	24,121,875	324,102	67,180	256,922	AFD + 0,47%+0,45%	2010 - 2025
AFD - 1254 - US\$	26,071,951	350,303	--	350,303	LIBOR + 0,7% + 0,45%	2013 - 2028
AFD OD 1039 01H - 1259 - US\$	988,288	13,279	--	13,279	LIBOR + 2,05%+0,35%	2014 - 2026
Total		31,696,088	2,562,332	29,133,756		

*) Dalam jumlah penuh/ In full amount

**) Termasuk masa tenggang pembayaran/ Include grace periods in terms of payments

Perusahaan melakukan pembayaran pokok dan bunga penerusan pinjaman sesuai dengan jadwal pembayaran dan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian penerusan pinjaman.

The Company made payments of principal and interest on the two-step loans in accordance with the schedule of payment and complied with the restrictions specified within the agreements of the two-step loans.

Rincian penerusan pinjaman dalam mata uang asing adalah sebagai berikut:

Details of the two-step loans in foreign currencies are as follows:

	2017		2016		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	
US\$	964,734,649	13,070,226	753,977,435	10,130,441	US\$
JPY	170,695,553,004	20,520,744	179,894,874,250	20,760,750	JPY
EUR	26,063,045	421,534	39,752,290	562,954	EUR
Lain-lain **)	11,863,438	160,725	13,203,171	177,396	Others **)
Jumlah		34,173,229		31,631,541	Total

*) Dalam jumlah penuh

**) Penerusan pinjaman dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) In full amount

**) Two-step loans denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at the reporting date

**24. Utang Kepada Pemerintah dan Lembaga
Keuangan Pemerintah Non-bank**

**24. Government and Non-Bank Government
Financial Institution Loans**

	2017	2016	
	Rp	Rp	
Rekening Dana Investasi No. RDI-393/DP3/2001	817,580	1,061,727	Investment Fund Account No. RDI-393/DP3/2001
PT Sarana Multi Infrastruktur	6,535,386	7,239,876	PT Sarana Multi Infrastruktur
Jumlah	7,352,966	8,301,603	Total
Dikurangi bagian jatuh tempo dalam satu tahun	1,043,793	1,043,793	Less current maturities
Bagian jangka panjang	6,309,173	7,257,810	Long-term portion

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Rekening Dana Investasi No. RDI-393/DP3/2001	2017 Rp	2016 Rp	Investment Fund Account No. RDI-393/DP3/2001
Pokok pinjaman	881,378	1,175,171	Principal
Perbedaan nilai wajar	(63,798)	(113,444)	Fair value difference
Jumlah	817,580	1,061,727	Total

Sesuai Surat Menteri Keuangan Republik Indonesia No. S-352/MK.06/2001, pada tanggal 20 Juni 2001 Perusahaan dan Pemerintah Republik Indonesia menyetujui restrukturisasi tunggakan angsuran pokok penerusan pinjaman sebesar Rp5.288.268 menjadi pinjaman berjangka waktu 20 tahun sampai dengan 30 Juli 2021. Pinjaman ini dikenakan bunga 4% per tahun, tanpa jaminan, dan dibayar secara angsuran setiap semester sebesar Rp146.896.

As stated on the letter of the Minister of Finance of the Republic of Indonesia No. S-352/MK.06/2001, on June 20, 2001 the Company and the Government of the Republic of Indonesia agreed to restructure the overdue principal of the two-step loans amounting to Rp5,288,268 to become 20 years period matured on July 30, 2021. The loan bears interest at 4% per annum, unsecured, and paid-in semi-annual installments of Rp146,896.

PT Sarana Multi Infrastruktur

PT Sarana Multi Infrastruktur

	2017 Rp	2016 Rp	
Pokok pinjaman	6,750,000	7,500,000	Principal
Biaya transaksi yang belum diamortisasi	(20,461)	(24,854)	Unamortized transaction cost
Perbedaan nilai wajar	(194,153)	(235,270)	Fair value difference
Jumlah	6,535,386	7,239,876	Total

Pada tanggal 13 Desember 2011, Perusahaan memperoleh fasilitas pinjaman lunak dari Pusat Investasi Pemerintah ("PIP") Kementerian Keuangan Republik Indonesia sebesar Rp7.500.000, dengan tingkat bunga 5,25% per tahun berjangka waktu 15 tahun.

On December 13, 2011, the Company obtained soft loan facility from the Government Investment Center ("PIP") under the Ministry of Finance of the Republic of Indonesia amounting to Rp7,500,000, with an annual interest rate of 5.25% with 15 years term.

Pinjaman ini digunakan untuk membiayai pengadaan dan penggantian trafo, instalasi perlengkapan transmisi dan distribusi serta investasi lainnya.

This loan was used to finance the procurement and replacement of transformers, the equipment installation of transmission and distribution and also other capital expenditures.

Pada tanggal 23 Desember 2015, telah dilaksanakan penandatanganan perjanjian pengalihan antara PIP dan PT Sarana Multi Infrastruktur ("SMI") yang mengalihkan seluruh hak dan kewajiban PIP kepada SMI pada saat ini maupun pada masa yang akan datang yang meliputi kepentingan dan tanggungjawab dalam perjanjian investasi Perusahaan.

On December 23, 2015, PIP and PT Sarana Multi Infrastruktur ("SMI") has signed a novation agreement which transfers all current and future rights and obligations of PIP to SMI, including interest and responsibility in the Company's investment agreement.

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Sehubungan dengan fasilitas pinjaman tersebut, Perusahaan diwajibkan untuk memelihara perbandingan antara EBITDA dengan beban bunga tidak kurang dari 1,5 : 1. Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian-perjanjian tersebut.

In relation to this loan facility, the Company is required to maintain a ratio of EBITDA with interest expense at a minimum of 1.5 : 1. The Company has complied with the covenants in the borrowing agreement.

Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank berdasarkan jadwal pembayaran pokok, adalah sebagai berikut:

Government and non-bank Government Financial Institution Loans by installment schedules at nominal amount, are as follows:

	<u>2017</u>	<u>2016</u>	
	Rp	Rp	
Dibayarkan:			<i>Payable to:</i>
Dalam satu tahun	1,043,792	1,043,793	<i>Within one year</i>
Pada tahun kedua	1,043,793	1,043,793	<i>In the second year</i>
Pada tahun ketiga	1,043,793	1,043,793	<i>In the third year</i>
Pada tahun keempat	750,000	1,043,793	<i>In the fourth year</i>
Setelah lima tahun	3,750,000	4,499,999	<i>After five years</i>
Jumlah	<u>7,631,378</u>	<u>8,675,171</u>	Total

25. Utang Sewa Pembiayaan

Akun ini terdiri dari utang Perusahaan kepada PT Central Java Power ("CJP") dalam rangka Perjanjian Sewa Pembiayaan atas pengadaan pembangkitan tenaga listrik 4x660MW Tanjung Jati B Unit A, B, C, D, dan beberapa kontrak sewa sehubungan dengan pembangunan kompresor gas dan pipa gas di berbagai daerah dengan mekanisme Bangun, Operasi dan Serah (*Build, Operate and Transfer*) yang diakui sebagai utang sewa pembiayaan oleh PLN Batam, entitas anak. Akun ini juga terdiri dari beberapa kontrak sewa mesin pembangkit pada PLTG Payo Selincah, PLTG Talang Duku dan PLTG Merah Mata.

25. Lease Liabilities

This account represents the Company's liabilities to PT Central Java Power ("CJP") in relation to the Financial Lease Agreement 4x660MW on the acquisition of Tanjung Jati B Unit A, B, C, D, and several lease contracts in relation to the construction of gas compressors and gas pipes with the Build, Operate and Transfer mechanism at the various locations that was recorded as finance lease liabilities by PLN Batam, a subsidiary. It also consist of several contracts in relation to lease power plant machinery in PLTG Payo Selincah, PLTG Talang Duku and PLTG Merah Mata.

Sehubungan dengan Perjanjian Sewa Pembiayaan CJP, Sumitomo Mitsui Banking Corporation, Singapura bertindak sebagai *Escrow Agent* dan Sumitomo Mitsui Banking Corporation, Tokyo bertindak sebagai *Security Agent*. Untuk memenuhi persyaratan *Financial Lease Agreement* ("FLA"), Perusahaan telah membentuk dana cadangan pada *Escrow Agent* untuk jaminan pelaksanaan operasi, pemeliharaan dan pengadaan bahan bakar serta untuk angsuran sewa pembiayaan (Catatan 10).

In relation to the CJP Finance Lease Agreement, Sumitomo Mitsui Banking Corporation, Singapore acts as the Escrow Agent and Sumitomo Mitsui Banking Corporation, Tokyo acts as the Security Agent. In order to fulfill the requirements of Financial Lease Agreement ("FLA"), the Company established a reserve account to an Escrow Agent for guarantee of operations, maintenance and fuel procurement and for lease payments (Note 10).

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Nilai tunai pembayaran minimum atas utang sewa pembiayaan tersebut pada tahun 2017 dan 2016 adalah sebagai berikut:

The present value of minimum lease payments for such lease liabilities in 2017 and 2016 are as follows:

Berdasarkan jatuh tempo

By due date

	2017 Rp	2016 Rp	
Pembayaran jatuh tempo dalam waktu:			<i>Minimum lease payments due:</i>
Tidak lebih dari satu tahun	6,940,785	5,888,441	<i>Not later than one year</i>
Antara lebih dari satu tahun sampai lima tahun	19,173,149	19,487,113	<i>Later than one year and not later than five years</i>
Lebih dari lima tahun	2,693,858	5,432,835	<i>Later than five years</i>
Jumlah pembayaran minimum sewa pembiayaan	28,807,792	30,808,389	<i>Total minimum lease payments</i>
Dikurangi bunga	8,222,615	9,085,997	<i>Less interest</i>
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	20,585,177	21,722,392	<i>Present value of future minimum lease payments</i>
Dikurangi bagian jatuh tempo dalam satu tahun	4,871,908	3,789,317	<i>Less current maturity</i>
Bagian jangka panjang	15,713,269	17,933,075	Long-term portion

Berdasarkan pemberi sewa

By lessor

	2017 Rp	2016 Rp	
PT Central Java Power - JPY	18,898,480	21,722,392	<i>PT Central Java Power - JPY</i>
PT Batam Trans Gasindo - US\$	781,206	--	<i>PT Batam Trans Gasindo - US\$</i>
PT Eramas Persada Energy - US\$	360,189	--	<i>PT Eramas Persada Energy - US\$</i>
PT Wijaya Karya Industri Energi - Rupiah	239,805	--	<i>PT Wijaya Karya Industri Energi - Rupiah</i>
PT Muba Daya Pratama - Rupiah	202,451	--	<i>PT Muba Daya Pratama - Rupiah</i>
PT Enviromate Technology International - Rupiah	103,046	--	<i>PT Enviromate Technology International - Rupiah</i>
Jumlah	20,585,177	21,722,392	<i>Total</i>
Dikurangi bagian jatuh tempo dalam satu tahun	4,871,908	3,789,317	<i>Less current maturity</i>
Bagian jangka panjang	15,713,269	17,933,075	Long-term portion
Tingkat suku bunga per tahun:			<i>Interest rate per annum:</i>
Rupiah	8.18% - 22.43%	--	<i>Rupiah</i>
US\$	14.01% - 18.75%	--	<i>US\$</i>
JPY	7.60% - 11.00%	7.60% - 11.00%	<i>JPY</i>

Rincian utang sewa pembiayaan dalam mata uang asing adalah sebagai berikut:

Details of the lease liabilities in foreign currencies are as follows:

	2017		2016		
	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent</i> Rp	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent</i> Rp	
JPY	157,201,225,947	18,898,480	188,227,714,907	21,722,392	<i>JPY</i>
US\$	84,248,160	1,141,394	--	--	<i>US\$</i>
Jumlah		20,039,874		21,722,392	Total

*) Dalam jumlah penuh

*) In full amount

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Beban bunga dan keuangan terkait sewa pembiayaan pada tahun 2017 dan 2016 masing-masing sebesar Rp3.874.639 dan Rp4.273.840 (Catatan 45).

Interest expense and financial charges related to finance leases in 2017 and 2016 amounted to Rp3,874,639 and Rp4,273,840, respectively, (Note 45).

26. Utang Bank

26. Bank Loans

	2017 Rp	2016 Rp	
<u>Pinjaman terkait program percepatan</u>			<u>Loans related to fast track program</u>
Pihak berelasi			Related parties
Bank Negara Indonesia	3,372,337	4,128,291	Bank Negara Indonesia
Bank DKI	2,401,684	3,006,321	Bank DKI
Bank Rakyat Indonesia	1,541,166	2,395,588	Bank Rakyat Indonesia
Bank Mandiri	814,842	1,461,198	Bank Mandiri
Jumlah pihak berelasi	8,130,029	10,991,398	Total related parties
Pihak ketiga			Third parties
The Export-Import Bank of China	12,185,469	13,833,659	The Export-Import Bank of China
Bank of China Limited	7,628,981	9,357,193	Bank of China Limited
Barclays Bank Plc and China Development Bank	7,552,115	8,770,729	Barclays Bank Plc and China Development Bank
Bank Mega	672,187	1,448,325	Bank Mega
Bank Bukopin	1,226,776	1,536,029	Bank Bukopin
Bank Central Asia	368,613	666,234	Bank Central Asia
Jumlah pihak ketiga	29,634,141	35,612,169	Total third parties
Subjumlah	37,764,170	46,603,567	Subtotal
<u>Pinjaman tidak terkait program percepatan</u>			<u>Loans not related to fast track program</u>
Pihak berelasi			Related parties
Bank Mandiri	15,500,000	10,773,072	Bank Mandiri
Bank Rakyat Indonesia	33,028,751	34,785,714	Bank Rakyat Indonesia
Bank Negara Indonesia	18,500,000	18,500,000	Bank Negara Indonesia
Jumlah pihak berelasi	67,028,751	64,058,786	Total related parties
Pihak ketiga			Third parties
Bank Central Asia	18,000,000	7,000,000	Bank Central Asia
Asian Development Bank	6,069,504	2,821,560	Asian Development Bank
Export Development Canada	5,842,575	5,314,121	Export Development Canada
Bank Maybank Indonesia	4,300,000	--	Bank Maybank Indonesia
Standard Chartered Bank	2,097,072	2,019,798	Standard Chartered Bank
International Bank for Reconstruction and Development	1,458,442	--	International Bank for Reconstruction and Development
Japan Bank for International Cooperation	967,128	63,828	Japan Bank for International Cooperation
Sumitomo Mitsui Banking Corporation	139,868	--	Sumitomo Mitsui Banking Corporation
Agence Francaise De Development	64,713	--	Agence Francaise De Development
Kreditanstalt fur Wiederaufbau	10,531	--	Kreditanstalt fur Wiederaufbau
Jumlah pihak ketiga	38,949,833	17,219,307	Total third parties
Subjumlah	105,978,584	81,278,093	Subtotal
Jumlah	143,742,754	127,881,660	Total
Biaya transaksi belum diamortisasi	(1,176,643)	(1,124,382)	Unamortized transaction cost
Jumlah bersih	142,566,111	126,757,278	Total net

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	2017 Rp	2016 Rp	
Dikurangi bagian jatuh tempo dalam satu tahun			Less current maturities
<u>Pinjaman terkait program percepatan</u>			<u>Loans related to fast track program</u>
Pihak berelasi			Related parties
Bank Negara Indonesia	677,686	996,810	Bank Negara Indonesia
Bank DKI	531,477	676,000	Bank DKI
Bank Rakyat Indonesia	854,422	15,568,708	Bank Rakyat Indonesia
Bank Mandiri	441,555	1,521,356	Bank Mandiri
Jumlah pihak berelasi	2,505,140	18,762,874	Total related parties
Pihak ketiga			Third parties
The Export-Import Bank of China	1,763,504	1,748,925	The Export-Import Bank of China
Bank of China Limited	1,806,212	1,791,280	Bank of China Limited
Barclays Bank Plc and China Development Bank	1,291,725	1,281,046	Barclays Bank Plc and China Development Bank
Bank Mega	672,187	776,138	Bank Mega
Bank Bukopin	309,253	309,253	Bank Bukopin
Bank Central Asia	222,078	1,297,621	Bank Central Asia
Jumlah pihak ketiga	6,064,959	7,204,263	Total third parties
Subjumlah	8,570,099	25,967,137	Subtotal
<u>Pinjaman tidak terkait program percepatan</u>			<u>Loans not related to fast track program</u>
Pihak berelasi			Related parties
Bank Rakyat Indonesia	14,457,320	--	Bank Rakyat Indonesia
Bank Negara Indonesia	928,571	--	Bank Negara Indonesia
Bank Mandiri	875,000	--	Bank Mandiri
Jumlah pihak berelasi	16,260,891	--	Total related parties
Pihak ketiga			Third parties
Bank Central Asia	1,000,000	--	Bank Central Asia
Standart Chartered Bank	209,707	183,618	Standart Chartered Bank
Export Development Canada	508,050	244,025	Export Development Canada
Jumlah pihak ketiga	1,717,757	427,643	Total third parties
Subjumlah	17,978,648	427,643	Subtotal
Jumlah bagian jatuh tempo dalam satu tahun	26,548,747	26,394,780	Total current maturities
Bagian jangka panjang	116,017,364	100,362,498	Long-term portion

Pada tanggal 31 Desember 2017 dan 2016, rincian utang bank dalam mata uang asing adalah sebagai berikut:

As of December 31, 2017 and 2016, details of bank loans in foreign currency are as follows:

	2017		2016		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	
US\$	3,035,228,648	41,121,278	2,989,065,968	40,161,092	US\$
EUR	134,312,461	2,172,318	142,625,503	2,019,798	EUR
JPY	6,012,420,140	722,804	--	--	JPY
Jumlah		44,016,400		42,180,890	Total

*) Dalam jumlah penuh

*) In full amount

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Pinjaman terkait program percepatan

Perusahaan memperoleh fasilitas pinjaman dari beberapa bank untuk membiayai 85% dari nilai kontrak *Engineering Procurement and Construction* ("EPC") untuk program percepatan. Pinjaman ini sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Perpres No. 91 Tahun 2007, pengganti dari Perpres No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik Yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan dibatasi oleh ketentuan-ketentuan umum sebagaimana ditetapkan dalam perjanjian pinjaman.

Loans related to fast track program

The Company obtained loan facilities from several banks to finance 85% of the value of *Engineering Procurement and Construction* ("EPC") contracts for its fast track program. These loans are fully guaranteed by the Government of the Republic of Indonesia in accordance with Perpres No. 91 Year 2007, which superseded Perpres No. 86 Year 2006, regarding the Grant of Government Guarantee for Construction of a Coal-Fired Power Plant. In connection with these loans, the Company is restricted by general rules as described in the loan agreements.

Pada tanggal 31 Desember 2017, rincian fasilitas pinjaman tersebut adalah sebagai berikut:

As of December 31, 2017, details of such loan facilities are as follows:

No.	Kreditur dan pembiayaan proyek/ <i>Creditor and project funded</i>	Fasilitas maksimum/ <i>Maximum facility</i>		Pembayaran kembali/ <i>Repayment</i>		Tingkat bunga per tahun/ <i>Interest rate per annum</i>	Premi asuransi/ <i>Insurance premium</i>	Tanggal jatuh tempo/ <i>Date of maturity</i>
		US\$ *)	Rp *)	2017 Rp*)	2016 Rp*)			
1	Pinjaman sindikasi dikoordinasi/ <i>Syndicated loan coordinated by</i> Bank of China Limited/ PLTU 1 Indramayu, Jawa Barat/ <i>West Java</i>	592	--	733,042	728,811	0.785% + LIBOR 6 bulanan/ 6 months	55	27 Mei 2021/ May 27, 2021
2	The Export-Import Bank of China/ PLTU 2 Paton, Jawa Timur/ <i>East Java</i>	331	--	321,691	325,886	0.84% + LIBOR 6 bulanan/ 6 months	32	30 Januari 2023/ January 30, 2023
3	Pinjaman sindikasi dikoordinasi/ <i>Syndicated loan coordinated by</i> Bank Negara Indonesia/ PLTU 2 Labuan, Banten	--	2,741,298	391,614	391,614	0.825% + JIBOR 3 bulanan/ 3 months	--	23 Juli 2018/ July 23, 2018
4	The Export-Import Bank of China/ PLTU 1 Suralaya, Banten	284	--	313,875	317,969	0.84% + LIBOR 6 bulanan/ 6 months	27	30 Januari 2023/ January 30, 2023
5	Barclays Capital, The Investment Banking Division of Barclays Bank PLC and China Development Bank/ PLTU 1 Rembang, Jawa Tengah/ <i>Central Java</i>	262	--	347,762	345,511	3.25% + LIBOR 6 bulanan/ 6 months	--	3 Desember 2021/ December 3, 2021
6	Bank DKI/ PLTU Naganraya PLTU 2 Nusa Tenggara Timur PLTU 1 Nusa Tenggara Barat PLTU Sumatera Barat PLTU 2 Kalimantan Barat PLTU 4 Bangka Belitung PLTU Maluku Utara PLTU Sulawesi Tengah PLTU 1 Nusa Tenggara Timur PLTU 2 Sulawesi Utara PLTU Gorontalo PLTU 2 Nusa Tenggara Timur PLTU 1 Nusa Tenggara Barat PLTU 4 Bangka Belitung PLTU 2 Nusa Tenggara Barat PLTU 1 Kalimantan Tengah PLTU Maluku Utara	--	4,732,000	676,000	676,000	1% + JIBOR 3 bulanan/ 3 months	--	24 April 2019/ April 24, 2019

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No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi asuransi/ Insurance premium US\$ *)	Tanggal jatuh tempo/ Date of maturity
		US\$ *)	Rp *)	2017 Rp*)	2016 Rp*)			
7	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia PLTU Sulawesi Selatan/ South Sulawesi PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan/ South Kalimantan	--	2,074,739	193,903	193,903	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019
8	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ PLTU 1 Rembang, Jawa Tengah/ Central Java	--	1,911,480	273,069	273,069	1.11% + JIBOR 3 bulanan/ 3 months	--	18 April 2018/ April 18, 2018
9	Bank Mega/ PLTU 2 Pelabuhan Ratu, Jawa Barat/ West Java	--	1,874,315	257,663	257,663	1.10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
10	Bank Bukopin/ PLTU 3 Teluk Naga, Banten	--	1,606,612	178,512	178,512	0.71% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2021/ July 29, 2021
11	Bank Mega/ PLTU 2 Nusa Tenggara Barat PLTU Gorontalo PLTU 2 Sulawesi Utara, Manado PLTU Kep Riau, Tanjung Balai Karimun PLTU 1 Nusa Tenggara Timur, Ende PLTU Sulawesi Tenggara 2 PLTU 1 Kalimantan Tengah	--	1,498,513	195,418	195,418	1.10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
12	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU 1 Indramayu, Jawa Barat/ West Java	--	1,272,913	164,422	164,422	1.10% + JIBOR 3 bulanan/ 3 months	--	23 Februari 2018/ February 23, 2018
13	Bank Mega/ PLTU Lampung, Lampung PLTU 2 Sumatera Utara, Medan	--	1,240,661	115,154	115,154	1.10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
14	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU 2 Labuan, Banten	--	1,077,578	151,086	151,086	1.12% + JIBOR 3 bulanan/ 3 months	--	18 April 2018/ April 18, 2018
15	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Sulawesi Selatan/ South Sulawesi PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan/ South Kalimantan	--	1,151,005	164,429	164,429	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019
16	Bank Bukopin/ PLTU 1 Pacitan, Jawa Timur/ East Java	--	1,045,924	130,741	130,741	0.71% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2021/ July 29, 2021
17	Bank Mega/ PLTU 1 Suralaya Baru, Banten	--	735,387	122,303	122,303	1.10% + JIBOR 6 bulanan/ 6 months	--	18 April 2018/ April 18, 2018
	Bank Mega/ PLTU 2 Paton, Jawa Timur/ East Java	--	600,636	85,600	85,600	1.10% + JIBOR 6 bulanan/ 6 months	--	18 April 2018/ April 18, 2018
19	The Export-Import Bank of China/ PLTU Pelabuhan Ratu	482	--	622,208	630,323	2.8% + LIBOR 6 bulanan/ 6 months	44	12 Februari 2025/ February 12, 2025
	PLTU NAD	124	--	143,346	145,215	2.8% + LIBOR 6 bulanan/ 6 months	12	14 Januari 2025/ January 14, 2025
20	Bank of China Limited/ PLTU Teluk Naga	455	--	580,756	567,013	2.30% + LIBOR 6 bulanan/ 6 months	46	4 Mei 2022/ May 4, 2022
21	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Tanjung Awar-awar	--	1,155,352	165,050	165,050	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019

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No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi asuransi/ Insurance premium US\$ *)	Tanggal jatuh tempo/ Date of maturity
		US\$ *)	Rp *)	2017 Rp*)	2016 Rp*)			
22	The Export-Import Bank of China/ PLTU Pacitan	293	--	335,634	340,011	2.8% + LIBOR 6 bulanan/ 6 months	30	2 Juli 2025/ July 2, 2025
23	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Lampung PLTU Sumatera Utara/ North Sumatera	--	3,941,772	346,543	346,543	1.5% + JIBOR 3 bulanan/ 3 months	34	14 Oktober 2019/ October 14, 2019
24	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ Transmisi/ Transmission	--	2,613,012	373,287	373,287	1.5% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
25	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ Transmisi/ Transmission	--	327,195	46,742	46,742	1.5% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
26	China Development Bank/ PLTU Adipala, Cilacap	625	--	765,129	747,024	3.85% + LIBOR 6 bulanan/ 6 months	--	14 Oktober 2022/ October 14, 2022
27	China Development Bank/ PLTU Sumbang	138	--	164,157	164,450	3.85% + LIBOR 6 bulanan/ 6 months	--	14 Oktober 2022/ October 14, 2022
28	Bank of China/ PLTU Tanjung Awar-Awar	372	--	476,689	476,333	2.30% + LIBOR 6 bulanan/ 6 months	--	14 Desember 2022/ December 14, 2022
29	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ Transmisi/ Transmission	--	1,930,063	275,723	275,723	1.50% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
30	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU Riau dan/ and PLTU Kalbar	--	1,080,598	99,793	99,793	1.50% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
31	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ Transmisi/ Transmission	--	1,067,684	149,547	149,547	1.05% + JIBOR 3 bulanan/ 3 months	--	27 Desember 2020/ December 27, 2020
32	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank DKI/ PLTU Riau Tenayan	--	2,225,000	--	--	1.50% + JIBOR 3 bulanan/ 3 months	--	12 November 2025/ November 12, 2025
33	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Kalimantan Timur/ East Kalimantan	--	2,449,963	--	--	1.20% + JIBOR 3 bulanan/ 3 months	--	17 Desember 2025/ December 17, 2025
Jumlah/Total		3,958	40,353,700	9,360,888	9,345,145		280	

*) Dalam jutaan/In million

Pinjaman tidak terkait program percepatan

Bank Mandiri

Pinjaman Perusahaan 2011

Pada tanggal 27 Desember 2011, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Mandiri sebesar Rp7.000.000, dengan tingkat bunga per tahun sebesar rata-rata tertimbang suku bunga deposito berjangka dalam mata uang

Loans not related to fast track program

Bank Mandiri

Corporate Loan 2011

On December 27, 2011, the Company obtained a syndicated investment credit facility coordinated by Bank Mandiri amounting to Rp7,000,000, with annual interest based on weighted average of the three months Rupiah time deposit of syndicated creditors +3.42%

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Rupiah tiga bulan dari kreditur sindikasi +3,42% dan jatuh tempo tanggal 23 Oktober 2021. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2017 dan 2016 adalah masing-masing sebesar Rp3.500.000 dan Rp4.375.000. Jumlah pembayaran pokok pinjaman untuk tahun 2017 dan 2016 adalah masing-masing sebesar Rp875.000.

Pinjaman Perusahaan 2016

Pada tanggal 19 Desember 2016, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp12.000.000 yang dikoordinasikan oleh Bank Mandiri, dengan tingkat suku bunga JIBOR tiga bulanan +1,92% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 19 Desember 2026. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar Rp12.000.000 dan Rp6.398.072. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2017 dan 2016.

Bank Rakyat Indonesia ("BRI")

Kredit Modal Kerja 2011

Pada bulan Juni 2011, Perusahaan memperoleh fasilitas kredit modal kerja sindikasi yang dikoordinasikan oleh BRI sebesar Rp15.000.000, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan +1,65% dan jatuh tempo pada 21 Juni 2012. Pinjaman ini telah mengalami beberapa kali perubahan. Pada tanggal 8 Juli 2015, fasilitas kredit ini diubah menjadi Rp9.000.000 dengan tingkat suku bunga pinjaman berdasarkan rata-rata deposito berjangka dalam mata uang Rupiah tiga bulanan dari kreditur sindikasi +2,02% dan jatuh tempo diperpanjang sampai 21 Juni 2016. Perubahan di tahun 2016 terjadi pada tanggal 21 Juni 2016 yaitu perubahan jumlah fasilitas kredit menjadi Rp15.000.000 dengan tingkat suku bunga berdasarkan rata-rata deposito berjangka dalam mata uang Rupiah tiga bulanan dari kreditur sindikasi +2,45% dan jatuh tempo diperpanjang sampai 21 Juni 2017. Perubahan berikutnya terjadi pada tanggal 9 September 2016, yaitu perubahan fasilitas kredit menjadi Rp20.000.000. Perubahan terakhir di tahun 2016 pada tanggal 17 November 2016 yaitu perubahan fasilitas kredit menjadi Rp28.000.000. Pada 7 Juli 2017 fasilitas ini diperpanjang jatuh temponya menjadi

and maturity date on October 23, 2021. As of December 31, 2017 and 2016, the balance outstanding amounted to Rp3,500,000 and Rp4,375,000, respectively. The principal loan repayment in 2017 and 2016 amounting to Rp875,000, respectively.

Corporate Loan 2016

On December 19, 2016, the Company obtained a syndicated investment credit facility amounting to Rp12,000,000 coordinated by Bank Mandiri, with annual interest rate based on three months JIBOR +1.92% per annum. This credit facility will mature on December 19, 2026. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp12,000,000 and Rp6,398,072, respectively. There is no loan repayment during 2017 and 2016.

Bank Rakyat Indonesia ("BRI")

Working Capital Loan 2011

In June 2011, the Company obtained a syndicated working capital loan facility coordinated by BRI amounting to Rp15,000,000, with annual interest based on three months JIBOR +1.65% and maturity date on June 21, 2012. This loan facility has been amended several times. On July 8, 2015, the credit facility was changed to Rp9,000,000 with annual interest based on average of the three months Rupiah time deposit of syndicated creditors +2.02% and maturity date was extended to June 21, 2016. Amendment during 2016 was first occurred on June 21, 2016 with changes on the amount of credit facility to become Rp15,000,000 with annual interest based on average of the three months Rupiah time deposit of syndicated creditors +2.45% and maturity date was extended until June 21, 2017. Further amendment was occurred on September 9, 2016 where the credit facility was amended to Rp20,000,000. The latest amendment was on November 17, 2016 where the credit facility was amended to Rp28,000,000. On July 7, 2017 the credit facility maturity date was extended to June 21, 2018. The principal loan repayment in 2017 and 2016 amounted to Rp37,800,000 and Rp21,000,000 respectively. As of December

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21 Juni 2018. Jumlah pembayaran kembali pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp37.800.000 dan Rp21.000.000. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar Rp12.957.323 dan Rp13.500.000

31, 2017 and 2016, the outstanding balance of this facility amounted to Rp12,957,323 dan Rp13,500,000, respectively.

Arus kas penarikan dan pembayaran utang Bank Rakyat Indonesia tahun 2017 dan 2016 sebagai berikut:

Cash flows of withdrawal and payment of the Bank Rakyat Indonesia loan in 2017 and 2016 are as follows:

	2017 Rp	2016 Rp	
Penarikan	37,257,322	34,500,000	Withdrawal
Pembayaran	(37,800,000)	(21,000,000)	Payment
Bersih	(542,678)	13,500,000	Net

Pinjaman Perusahaan 2012

Pada tanggal 21 Desember 2012, Perusahaan memperoleh fasilitas kredit investasi sindikasi dikoordinasikan oleh BRI sebesar Rp8.500.000 dengan tingkat bunga per tahun sebesar rata-rata suku bunga deposito berjangka tiga bulanan +3,2% yang terutang setiap tiga bulan. Tanggal jatuh tempo pokok pinjaman adalah 23 November 2022. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas pinjaman ini sebesar Rp6.071.428 dan Rp7.285.714. Jumlah pembayaran pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp1.214.286.

Corporate Loan 2012

On December 21, 2012, the Company obtained a syndicated investment credit facility coordinated by BRI amounting to Rp8,500,000 with annual interest rate of average three months time deposit +3.2%, which is due every three months. The maturity date of the principal is on November 23, 2022. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp6,071,428 and Rp7,285,174, respectively. The principal loan repayment in 2017 and 2016 were amounting to Rp1,214,286, respectively.

Pinjaman Perusahaan 2014

Pada tanggal 17 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi dari BRI sebesar Rp2.000.000 dengan tingkat bunga per tahun menggunakan rata-rata suku bunga deposito berjangka tiga bulanan BRI +2,75% dan jatuh tempo pokok pinjaman pada tanggal 17 Desember 2024. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini adalah masing-masing sebesar Rp2.000.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2017 dan 2016.

Corporate Loan 2014

On December 17, 2014, the Company obtained an investment credit facility from BRI amounting to Rp2,000,000, with annual interest rate based on BRI's average three months time deposit +2.75% and will mature on December 17, 2024. As of December 31, 2017 and 2016 the outstanding balance of this facility amounted to Rp2,000,000, respectively. There is no principal loan repayment during 2017 and 2016.

Pinjaman Perusahaan 2015

Pada tanggal 17 Desember 2015, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh BRI sebesar Rp12.000.000 dengan tingkat suku bunga per tahun menggunakan suku bunga Bank Indonesia +2,3% pada tanggal tiga hari

Corporate Loan 2015

On December 17, 2015, the Company obtained a syndicated investment credit facility coordinated by BRI amounting to Rp12,000,000, with the annual interest rate based on Bank Indonesia's rate +2.3% on three days before interest period. The maturity date

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sebelum jangka waktu bunga. Tanggal jatuh tempo pokok pinjaman adalah 17 Desember 2025. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini adalah masing-masing sebesar Rp12.000.000. Tidak ada pembayaran kembali pokok pinjaman tahun selama tahun 2017 dan 2016.

of the principal is on December 17, 2025. As of December 31, 2017 and 2016 the outstanding balance of this facility amounted to Rp12,000,000, respectively. There is no principal loan repayment during 2017 and 2016.

Bank Negara Indonesia (“BNI”)

Pinjaman Perusahaan 2014

Pada tanggal 18 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp6.500.000 yang dikoordinasikan oleh BNI, dengan tingkat suku bunga menggunakan rata-rata tertimbang suku bunga deposito berjangka tiga bulanan +3% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 18 Desember 2024. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini adalah masing-masing sebesar Rp6.500.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2017 dan 2016.

Bank Negara Indonesia (“BNI”)

Corporate Loan 2014

On December 18, 2014, the Company obtained a syndicated investment credit facility amounting to Rp6,500,000 coordinated by BNI, with annual interest rate based on weighted average of three months time deposit +3% per annum. This credit facility will mature on December 18, 2024. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp6,500,000, respectively. There is no principal loan repayment during 2017 and 2016.

Pinjaman Perusahaan 2016

Pada tanggal 9 September 2016, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp12.000.000 yang dikoordinasikan oleh BNI, dengan tingkat suku bunga menggunakan rata-rata tertimbang suku bunga deposito berjangka tiga bulanan +2,6% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 9 September 2026. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini adalah masing-masing sebesar Rp12.000.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2017 dan 2016.

Corporate Loan 2016

On September 9, 2016, the Company obtained a syndicated investment credit facility amounting to Rp12,000,000 coordinated by BNI, with annual interest rate based on weighted average of three months time deposit +2.6% per annum. This credit facility will mature on September 9, 2026. As of December 31, 2017 and 2016 the outstanding balance of this facility amounted to Rp12,000,000, respectively. There is no principal loan repayment during 2017 and 2016.

Bank Central Asia (“BCA”)

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh BCA sebesar Rp7.000.000, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan +2,4% yang jatuh tempo pada tanggal 23 Desember 2023. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini adalah masing-masing sebesar Rp6.000.000 dan Rp7.000.000. Jumlah pembayaran pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp1.000.000 dan nihil.

Bank Central Asia (“BCA”)

On December 23, 2013, the Company obtained a syndicated investment credit facility coordinated by BCA amounting to Rp7,000,000, with annual interest rate based on three months JIBOR +2.4% and maturity date on December 23, 2023. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp6,000,000 and Rp7,000,000, respectively. The principal loan repayment in 2017 and 2016 amounted to Rp1,000,000 and nil, respectively.

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Pada tanggal 2 November 2017, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh BCA sebesar Rp12.000.000, dengan tingkat suku bunga berdasarkan JIBOR enam bulanan +2,6% yang jatuh tempo pada tanggal 2 November 2027. Pada tanggal 31 Desember 2017 dan 2016 jumlah terutang atas fasilitas ini masing-masing sebesar Rp12.000.000 dan nihil.

Bank Maybank Indonesia

Pada tanggal 2 November 2017, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Maybank Indonesia sebesar Rp4.300.000, dengan tingkat suku bunga berdasarkan JIBOR enam bulanan +2,6% yang jatuh tempo pada tanggal 2 November 2027. Pada tanggal 31 Desember 2017 dan 2016 jumlah terutang atas fasilitas ini masing-masing sebesar Rp4.300.000 dan nihil.

Standard Chartered Bank ("SCB")

Fasilitas Arun

Pada tanggal 11 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan Pembangkit Listrik Tenaga Mesin Gas ("PLTMG") Arun sebesar EUR90.000.000 dengan tingkat suku bunga sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 30 September 2027. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar EUR70.618.532 (setara Rp1.142.156) dan EUR77.680.385 (setara Rp1.100.071). Jumlah pembayaran pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp106.618 dan Rp 107.830.

Fasilitas Bangkanai

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan PLTMG Bangkanai sebesar EUR70.850.000 dengan tingkat suku bunga yang digunakan untuk pinjaman tersebut sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 30 September 2027. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar EUR59.041.666,67 (setara Rp954.916) dan EUR64.945.833 (setara Rp919.727). Jumlah pembayaran pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp89.140 dan Rp87.292.

On November 2, 2017, the Company obtained a syndicated investment credit facility coordinated by BCA amounting to Rp12,000,000, with annual interest rate based on six months JIBOR +2.6% and maturity date on November 2, 2027. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp12,000,000 and nil, respectively.

Bank Maybank Indonesia

On November 2, 2017, the Company obtained a syndicated investment credit facility coordinated by Bank Maybank Indonesia amounting to Rp4,300,000, with annual interest rate based on six months JIBOR +2.6% and maturity date on November 2, 2027. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp4,300,000 and nil, respectively.

Standard Chartered Bank ("SCB")

Arun Facility

On December 11, 2013, the Company obtained an export credit facility to finance the construction of Arun Solar and Steam Power Plant ("PLTMG") amounting to EUR90,000,000 with interest rate of 2.1% per annum. This credit facility will mature on September 30, 2027. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to EUR70,618,532 (equivalent to Rp1,142,156) and EUR77,680,385 (equivalent to Rp1,100,071), respectively. The principal loan repayment in 2017 and 2016 amounted to Rp106,618 and Rp107,830, respectively.

Bangkanai Facility

On December 23, 2013, the Company obtained an export credit facility to finance the construction of Bangkanai PLTMG amounting to EUR70,850,000 with interest rate of 2.1% per annum. This credit facility will mature on September 30, 2027. As of December 31, 2017 and 2016 the outstanding balance of this facility amounted to EUR59,041,666.67 (equivalent to Rp954,916) and EUR64,945,833 (equivalent to Rp919,727), respectively. The principal loan repayment in 2017 and 2016 amounted to Rp89,140 and Rp87,292, respectively.

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Agence Francaise De Development (“AFD”)

Pada tanggal 7 Mei 2015, Perusahaan memperoleh fasilitas kredit dari AFD untuk Trans GIS sebesar EUR100.000.000 dengan jatuh tempo pinjaman sampai dengan 7 Mei 2030 dan tingkat bunga masing-masing sebesar *Floating/Fix* maksimal 5,89% yang dibayar setiap enam bulan. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar EUR4.001.121 (setara Rp64.713) dan nihil.

Kreditanstalt fur Wiederaufbau (“KfW”)

Pada tanggal 8 Mei 2015, Perusahaan memperoleh fasilitas kredit dari KfW untuk Kamojang PP sebesar EUR60.000.000 dengan jatuh tempo pinjaman sampai dengan 8 Mei 2030 dan tingkat bunga sebesar 1,70% yang dibayar setiap enam bulan. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar EUR651.141 (setara Rp10.531) dan nihil.

Asian Development Bank (“ADB”)

Pada tanggal 4 Desember 2015, Perusahaan memperoleh fasilitas kredit dari ADB untuk penguatan gardu induk regional Sumatera sebesar US\$575.000.000 dan US\$25.000.000 dengan jatuh tempo pinjaman sampai dengan 15 September 2035 dan tingkat bunga masing-masing sebesar LIBOR +0,6% -0,1% dan LIBOR +1,4% yang dibayar setiap enam bulan. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar US\$88.000.000 (setara Rp1.192.224) dan US\$210.000.000 (setara Rp2.821.560).

Pada tanggal 10 Oktober 2017, Perusahaan memperoleh fasilitas kredit dari ADB untuk akses energi berkelanjutan di kawasan Indonesia timur sebesar US\$600.000.000 dengan jatuh tempo pinjaman sampai dengan 10 Oktober 2037 dan tingkat bunga sebesar LIBOR +0,6% -0,1% yang dibayar setiap enam bulan. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas sebesar US\$150.000.000 (setara Rp2.032.200) dan nihil.

**Export Development Canada (“EDC”) dan
Hungarian Export Import Bank Private
Limited Company (“HEXIM”)**

Pada tanggal 2 Desember 2016 dan 1 Mei 2017 Perusahaan memperoleh pendanaan untuk Batam *mobile power plant* sebesar US\$435.888.247 dan US\$14.111.753 dengan

Agence Francaise De Development (“AFD”)

On May 7, 2015, the Company obtained credit facilities from AFD for Trans GIS amounting to EUR100,000,000 with maturity date until May 7, 2030 and interest rate of *Floating/Fix* maximum 5.89%, payable semiannually. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to EUR4,001,121 (equivalent to Rp64,713) and nil, respectively.

Kreditanstalt fur Wiederaufbau (“KfW”)

On May 8, 2015, the Company obtained credit facilities from KfW for Kamojang PP amounting to EUR60,000,000 with maturity date until May 8, 2030 and interest rate of 1.70%, payable semiannually. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to EUR651,141 (equivalent to Rp10,531) and nil, respectively.

Asian Development Bank (“ADB”)

On December 4, 2015, the Company obtained credit facilities from ADB for grid strengthening of Sumatera amounting to US\$575,000,000 and US\$25,000,000 with maturity date until September 15, 2035 and interest rate of LIBOR +0.6% -0.1% and LIBOR +1.4%, respectively, payable semiannually. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$88,000,000 (equivalent to Rp1,192,224) and US\$210,000,000 (equivalent to Rp2,821,560), respectively.

On October 10, 2017, the Company obtained credit facilities from ADB for sustainable energy access in eastern Indonesia amounting to US\$600,000,000 with maturity date until October 10, 2037 and interest rate of LIBOR +0.6% -0.1%, payable semiannually. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$150,000,000 (equivalent to Rp2,032,200) and nil, respectively.

**Export Development Canada (“EDC”) and
Hungarian Export Import Bank Private
Limited Company (“HEXIM”)**

On December, 2 2016 and May 1, 2017, the Company obtained credit facility for Batam *mobile power plant* amounting to US\$435,888,247 and US\$14,111,753,

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masing-masing tingkat bunga 2,56% dan 3,30% yang akan dibayar setiap enam bulan dengan jatuh tempo masing-masing 27 Januari 2029 dan 27 Januari 2029. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar US\$431.250.000 (setara Rp5.842.575) dan US\$395.513.638 (setara Rp5.314.121). Jumlah pembayaran pokok pinjaman tahun 2017 dan 2016 adalah masing-masing sebesar Rp251.006 dan nihil.

**Japan Bank for International Cooperation
("JBIC")**

Pada tanggal 14 Maret 2016, Perusahaan memperoleh fasilitas kredit untuk membiayai pembangunan PLTU Lontar sebesar US\$107.595.235, US\$71.730.158, dan JPY16.429.527.239 dengan tingkat suku bunga sebesar 2,85%+1,06%, LIBOR enam bulanan +1,1% per tahun, dan 1,03%+0,55%. Fasilitas kredit tersebut akan berakhir pada tanggal 1 Oktober 2031. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar US\$5.742.619,56 (setara Rp77.801), JPY1.210.686.890 (setara Rp145.547) dan US\$4.750.638 (setara Rp63.828).

Pada tanggal 20 Oktober 2016, Perusahaan memperoleh fasilitas kredit untuk membiayai pembangunan PLTU Jawa 2 Priok sebesar US\$27.224.192, US\$18.149.462, dan JPY31.762.594.907 dengan tingkat suku bunga sebesar 3,52%, LIBOR enam bulanan +0,7% per tahun, dan 1,58%. Fasilitas kredit tersebut akan berakhir pada tanggal 30 April 2031. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar US\$7.540.697 (setara Rp102.161), JPY4.801.733.250 (setara Rp577.264) dan nihil.

**International Bank for Reconstruction and
Development ("IBRD")**

Pada tanggal 20 Mei 2016, Perusahaan memperoleh fasilitas kredit untuk membiayai Power Distribution Development Program sebesar US\$500.000.000 dengan tingkat suku bunga sebesar *Referencer rate + Var spread*. Fasilitas kredit tersebut akan berakhir pada tanggal 15 Maret 2036. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini sebesar US\$107.650.000 (setara Rp1.458.442) dan nihil.

respectively, with interest rate of 2.56% and 3.30% payable semiannually with maturity date on January 27, 2029 and January 27, 2029 respectively. As of December 31, 2017 and 2016 the outstanding balance of this facility amounted to US\$431,250,000 (equivalent to Rp5,842,575) and US\$395,513,638 (equivalent to Rp5,314,121), respectively. The principal loan repayment in 2017 and 2016 amounted to Rp251,006 and nil, respectively.

**Japan Bank for International Cooperation
("JBIC")**

On March 14, 2016, the Company obtained a credit facility to finance the construction of Lontar Steam Electricity Power Plant amounting to US\$107,595,235, US\$71,730,158, and JPY16,429,527,239 with interest rate of 2.85%+1.06%, six months LIBOR +1.1% per annum, and 1.03%+0.55%. This credit facility will mature on October 1, 2031. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$5,742,619.56 (equivalent to Rp77,801), JPY1,210,686,890 (equivalent to Rp145,547) and US\$4,750,638 (equivalent to Rp63,828), respectively.

On October 20, 2016, the Company obtained a credit facility to finance the construction of Jawa 2 Priok PLTU amounting to US\$27,224,192, US\$18,149,462 and JPY31,762,594,907 with interest rate of 3.52%, six months LIBOR +0.7% per annum, and 1.58%. This credit facility will mature on April 30, 2031. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$7,540,697 (equivalent to Rp102,161), JPY4,801,733,250 (equivalent to Rp577,264) and nil, respectively.

**International Bank for Reconstruction and
Development ("IBRD")**

On May 20, 2016, the Company obtained a credit facility to finance Power Distribution Development Program amounting to US\$500,000,000 with interest rate of *Referencer rate + Var spread*. This credit facility will mature on March 15, 2036. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$107,650,000 (equivalent to Rp1,458,442) and nil, respectively.

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**Sumitomo Mitsui Banking Corporation
(SMBC)**

Pada tanggal 30 Maret 2017, Perusahaan memperoleh fasilitas kredit untuk membiayai PLTA Jatigede sebesar US\$73.324.250 dengan tingkat suku bunga sebesar LIBOR -6bulanan +1,43%. Fasilitas kredit tersebut akan berakhir pada tanggal 30 Maret 2031. Pada tanggal 31 Desember 2017 dan 2016, jumlah terutang atas fasilitas ini masing-masing sebesar US\$10.323.880 (setara Rp139.868) dan nihil.

Beberapa perjanjian utang bank dengan ADB, SCB, EDC, HEXIM, KFW, EGAP, SAC, Mizuho, dan KEXIM mensyaratkan bahwa Perusahaan wajib memenuhi beberapa pembatasan tertentu, antara lain jumlah minimal *self financing*, *debt service coverage ratio*, rasio jumlah pinjaman terhadap ekuitas serta *consolidated interest coverage ratio*.

Perusahaan melakukan pembayaran pokok dan bunga bank sesuai dengan jadwal pembayaran dan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian pinjaman bank.

**Sumitomo Mitsui Banking Corporation
(SMBC)**

On March 30, 2017, the Company obtained a credit facility to finance PLTA Jatigede amounting to US\$73,324,250 with interest rate of LIBOR -6month +1.43%. This credit facility will mature on March 30, 2031. As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to US\$10,323,880 (equivalent to Rp139,868) and nil, respectively.

Several loan agreements with ADB, SCB, EDC, HEXIM, KFW, EGAP, SAC, Mizuho, and KEXIM governed that the Company should comply to certain covenants, among others, the minimum amount of self financing, debt services coverage ratio, debt to equity ratio and consolidated interest coverage ratio.

The Company made payments of principle and interest of the bank loans in accordance with the schedule of payment and complied with the restrictions specified within the agreements of the bank loans.

27. Utang Obligasi, Sukuk Ijarah dan KIK-EBA

27. Bonds Payable, Sukuk Ijara and KIK-EBA loans

a. Obligasi dan sukuk ijarah

a. Bonds and sukuk ijara

	2017 Rp	2016 Rp	
Obligasi dan Sukuk Ijarah Rupiah			Rupiah Bonds and Sukuk Ijara
Obligasi Berkelanjutan II			Sustainable Bonds II
PLN Tahap II Tahun 2017	2,545,500	--	PLN II Year 2017
Sukuk Ijarah Berkelanjutan II			Sustainable Sukuk Ijara II
PLN Tahap II Tahun 2017	694,500	--	PLN II Year 2017
Obligasi Berkelanjutan II			Sustainable Bonds II
PLN Tahap I Tahun 2017	1,600,000	--	PLN I Year 2017
Sukuk Ijarah Berkelanjutan II			Sustainable Sukuk Ijara II
PLN Tahap I Tahun 2017	400,000	--	PLN I Year 2017
Obligasi Berkelanjutan I			Sustainable Bonds I
PLN Tahap II Tahun 2013	1,244,000	1,244,000	PLN II Year 2013
Sukuk Ijarah Berkelanjutan I			Sustainable Sukuk Ijara I
PLN Tahap II Tahun 2013	429,000	429,000	PLN II Year 2013
Obligasi Berkelanjutan I			Sustainable Bonds I
PLN Tahap I Tahun 2013	879,000	879,000	PLN I Year 2013
Sukuk Ijarah Berkelanjutan I			Sustainable Sukuk Ijara I
PLN Tahap I Tahun 2013	121,000	121,000	PLN I Year 2013
Obligasi PLN XII Tahun 2010	1,855,000	1,855,000	PLN XII Bonds Year 2010
Sukuk Ijarah PLN V Tahun 2010	340,000	340,000	Sukuk Ijara PLN V Year 2010
Obligasi PLN XI Tahun 2010	1,783,000	2,703,000	PLN XI Bonds Year 2010
Sukuk Ijarah PLN IV Tahun 2010	167,000	297,000	Sukuk Ijara PLN IV Year 2010
Obligasi PLN IX Tahun 2007	1,200,000	2,700,000	PLN IX Bonds Year 2007
Sukuk Ijarah PLN II Tahun 2007	--	300,000	Sukuk Ijara PLN II Year 2007
Obligasi PLN VIII Tahun 2006	865,000	865,000	PLN VIII Bonds Year 2006

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	<u>2017</u>	<u>2016</u>	
	Rp	Rp	
Surat Utang Jangka			Global Medium
Menengah Global - US\$			Term Notes - US\$
Penerbitan tahun 2017	27,096,000	--	Issued in 2017
Penerbitan tahun 2012	13,548,000	13,436,000	Issued in 2012
Penerbitan tahun 2011	13,548,000	13,436,000	Issued in 2011
Obligasi Terjamin - US\$			Guaranteed Notes - US\$
Penerbitan tahun 2009	27,096,000	26,872,000	Issued in 2009
Penerbitan tahun 2007	6,774,000	13,436,000	Issued in 2007
Subjumlah	102,185,000	78,913,000	Subtotal
Biaya emisi belum diamortisasi	(830,640)	(520,317)	Unamortized debt issuance cost
Jumlah	101,354,360	78,392,683	Total
Disajikan di laporan posisi keuangan konsolidasian sebagai:			Presented in consolidated statements of financial position:
Liabilitas jangka pendek	914,000	9,568,000	Current liabilities
Liabilitas jangka panjang	100,440,360	68,824,683	Non-current liabilities
Jumlah	101,354,360	78,392,683	Total

Obligasi ini diterbitkan sebesar harga nominal dalam mata uang Rupiah dengan rincian sebagai berikut:

The bonds were issued at nominal value and are denominated in Rupiah, with the following details:

	<u>Pokok/ Principal Rp</u>	<u>Tanggal jatuh tempo/ Maturity date</u>	<u>Tingkat kupon/ imbalan ijarah per tahun/ Coupon rate/ ijara fee per annum *)</u>	
Obligasi Berkelanjutan II				Sustainable Bonds II
PLN Tahap II Tahun 2017				PLN II Year 2017
Seri A	451,500	3 November 2022/ November 3, 2022	7.20%	Series A
Seri B	201,000	3 November 2024/ November 3, 2024	7.50%	Series B
Seri C	800,000	3 November 2027/ November 3, 2027	8.20%	Series C
Seri D	1,093,000	3 November 2032/ November 3, 2032	8.70%	Series D
Sukuk Ijarah Berkelanjutan II				Sustainable Sukuk Ijara II
PLN Tahap II Tahun 2017				PLN II Year 2017
Seri A	83,500	3 November 2022/ November 3, 2022	Rp6,012	Series A
Seri B	121,000	3 November 2027/ November 3, 2027	Rp9,922	Series B
Seri C	490,000	3 November 2032/ November 3, 2032	Rp42,630	Series C
Obligasi Berkelanjutan II				Sustainable Bonds II
PLN Tahap I Tahun 2017				PLN I Year 2017
Seri A	214,000	11 Juli 2022/ July 11, 2022	7.70%	Series A
Seri B	169,000	11 Juli 2024/ July 11, 2024	8.10%	Series B
Seri C	1,217,000	11 Juli 2027/ July 11, 2027	8.50%	Series C

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	Pokok/ Principal Rp	Tanggal jatuh tempo/ Maturity date	Tingkat kupon/ imbalan ijarah per tahun/ Coupon rate/ ijara fee per annum *)	
Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017 Seri A	186,000	11 Juli 2022/ July 11, 2022	Rp14,322	Sustainable Sukuk Ijara II PLN I Year 2017 Series A
Seri B	214,000	11 Juli 2027/ July 11, 2027	Rp18,190	Series B
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 Seri A	593,000	10 Desember 2018/ December 10, 2018	9.00%	Sustainable Bonds I PLN II Year 2013 Series A
Seri B	651,000	10 Desember 2023/ December 10, 2023	9.60%	Series B
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013 Seri A	321,000	10 Desember 2018/ December 10, 2018	Rp28,890	Sustainable Sukuk Ijara I PLN II Year 2013 Series A
Seri B	108,000	10 Desember 2023/ December 10, 2023	Rp10,368	Series B
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 Seri A	182,000	5 Juli 2020/ July 5, 2020	8.00%	Sustainable Bonds I PLN I Year 2013 Series A
Seri B	697,000	5 Juli 2023/ July 5, 2023	8.25%	Series B
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	121,000	5 Juli 2020/ July 5, 2020	Rp9,680	Sustainable Sukuk Ijara I PLN I Year 2013
Obligasi PLN XII Tahun 2010 Seri B	1,855,000	8 Juli 2022/ July 8, 2022	10.40%	PLN XII Bonds Year 2010 Series B
Sukuk Ijarah PLN V Tahun 2010 Seri B	340,000	8 Juli 2022/ July 8, 2022	Rp35,360	Sukuk Ijara PLN V Year 2010 Series B
Obligasi PLN XI Tahun 2010 Seri B	1,783,000	12 Januari 2020/ January 12, 2020	12.55%	PLN XI Bonds Year 2010 Series B
Sukuk Ijarah PLN IV Tahun 2010 Seri B	167,000	12 Januari 2020/ January 12, 2020	Rp20,958	Sukuk Ijara PLN IV Year 2010 Series B
Obligasi PLN IX Tahun 2007 Seri B	1,200,000	10 Juli 2022/ July 10, 2022	10.90%	PLN IX Bonds Year 2007 Series B
Obligasi PLN VIII Tahun 2006 Seri B	865,000	21 Juni 2021/ June 21, 2021	13.75%	PLN VIII Bonds Year 2006 Series B
Jumlah	14,123,000			Total

*) Imbalan ijarah per tahun disajikan dalam Rupiah penuh

*) Ijara fee per annum are presented in Rupiah full amount

Obligasi Berkelanjutan II PLN Tahap II Tahun 2017

Pada tanggal 6 November 2017, Perusahaan menerbitkan Obligasi Berkelanjutan II PLN tahap II Tahun 2017 dengan jumlah nilai nominal sebesar

Sustainable Bonds II PLN II Year 2017

On November 6, 2017, the Company issued Sustainable Bonds II PLN II Year 2017 with a total nominal value amounting to Rp2,545,500 consisting of Series A,

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Rp2.545.500, terdiri dari Obligasi Seri A, Obligasi Seri B, Obligasi Seri C dan Obligasi Seri D dengan PT Bank Tabungan Negara (Persero) Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 3 Februari 2018 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2017

Bersamaan dengan penerbitan Obligasi Berkelanjutan II PLN Tahap II Tahun 2017, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2017 dengan nilai nominal sebesar Rp694.500, terdiri dari Seri A, Seri B dan Seri C dengan PT Bank Tabungan Negara (Persero) bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp6.012 per tahun untuk Seri A, Rp9.922 per tahun untuk Seri B, dan Rp42.630 per tahun untuk Seri C dibayarkan setiap tiga bulan sejak 3 Februari 2018 sampai dengan tanggal jatuh tempo sukuk ijarah.

Obligasi Berkelanjutan II PLN Tahap I Tahun 2017

Pada tanggal 12 Juli 2017, Perusahaan menerbitkan Obligasi Berkelanjutan II PLN Tahap I Tahun 2017 dengan jumlah nilai nominal sebesar Rp1.600.000, terdiri dari Obligasi Seri A, Obligasi Seri B, dan Obligasi Seri C dengan PT Bank Tabungan Negara (Persero) Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 11 Oktober 2017 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017

Bersamaan dengan penerbitan Obligasi Berkelanjutan II PLN Tahap I Tahun 2017, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017 dengan nilai nominal sebesar Rp400.000, terdiri dari Seri A dan Seri B dengan PT Bank Tabungan Negara (Persero) bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp14.322 per tahun untuk Seri A dan Rp18.190 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 11 Oktober 2017 sampai dengan tanggal jatuh tempo sukuk ijarah.

Series B, Series C, and Series D Bonds, with PT Bank Tabungan Negara (Persero) Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from February 3, 2018 until the maturity date of the bonds.

Sustainable Sukuk Ijarah II PLN II Year 2017

Concurrent with the issuance of Sustainable Bonds II PLN II Year 2017, the Company also issued Sustainable Sukuk Ijarah II PLN II Year 2017, with a nominal value amounting to Rp694,500 consisting of Series A, Series B and Series C with PT Bank Tabungan Negara (Persero) acting as the Trustee. The total ijarah fee per annum amounting to Rp6,012 for Series A, Rp9,922 for Series B and Rp42,630 for Series C is payable on a quarterly basis, starting from February 3, 2018 until the maturity date of the sukuk ijarah.

Sustainable Bonds II PLN I Year 2017

On July 12, 2017, the Company issued Sustainable Bonds II PLN I Year 2017 with a total nominal value amounting to Rp1,600,000 consisting of Series A, Series B, and Series C Bonds, with PT Bank Tabungan Negara (Persero) Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 11, 2017 until the maturity date of the bonds.

Sustainable Sukuk Ijarah II PLN I Year 2017

Concurrent with the issuance of Sustainable Bonds II PLN I Year 2017, the Company also issued Sustainable Sukuk Ijarah II PLN I Year 2017, with a nominal value amounting to Rp400,000, consisting of Series A and Series B with PT Bank Tabungan Negara (Persero) acting as the Trustee. The total ijarah fee per annum amounting to Rp14,322 for Series A Bonds and Rp18,190 for Series B Bonds is payable on a quarterly basis, starting from October 11, 2017 until the maturity date of the sukuk ijarah.

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Obligasi Berkelanjutan I PLN Tahap II
Tahun 2013

Pada tanggal 10 Desember 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 dengan jumlah nilai nominal sebesar Rp1.244.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan I PLN Tahap II
Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN Tahap II Tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013 dengan nilai nominal sebesar Rp429.000, terdiri dari Seri A dan Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp28.890 per tahun untuk Obligasi Seri A dan Rp10.368 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo sukuk ijarah.

Obligasi Berkelanjutan I PLN Tahap I
Tahun 2013

Pada tanggal 5 Juli 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 dengan jumlah nilai nominal sebesar Rp879.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan I PLN Tahap I
Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN Tahap I Tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN tahap I Tahun 2013 dengan nilai nominal sebesar Rp121.000 dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp9.680 per tahun dan dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo sukuk ijarah.

Sustainable Bonds I PLN II Year 2013

On December 10, 2013, the Company issued Sustainable Bonds I PLN II Year 2013 with a total nominal value amounting to Rp1,244,000 consisting of Series A and Series B Bonds, with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the bonds.

Sustainable Sukuk Ijarah I PLN II Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN II Year 2013, the Company also issued Sustainable Sukuk Ijarah I PLN II Year 2013, with a nominal value amounting to Rp429,000 consisting of Series A and Series B with PT Bank Permata Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp28,890 for Series A Bonds and Rp10,368 for Series B Bonds is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the sukuk ijarah.

Sustainable Bonds I PLN I Year 2013

On July 5, 2013, the Company issued Sustainable Bonds I PLN I Year 2013 with a total nominal value amounting to Rp879,000 consisting of Series A and Series B Bonds with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the bonds.

Sustainable Sukuk Ijarah I PLN I Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN I Year 2013, the Company also issued Sustainable Sukuk Ijarah I PLN I Year 2013 with a nominal value amounting to Rp121,000 with PT Bank Permata Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp9,680 is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the sukuk ijarah.

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Obligasi PLN XII tahun 2010

Pada tanggal 8 Juli 2010, Perusahaan menerbitkan Obligasi PLN XII Tahun 2010 dengan jumlah nilai nominal sebesar Rp2.500.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A senilai Rp645.000 telah dibayar lunas di tahun 2015.

Sukuk Ijarah PLN V Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XII Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN V Tahun 2010 dengan nilai nominal sebesar Rp500.000, terdiri dari Seri A dan Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp15.520 per tahun untuk Seri A dan Rp35.360 per tahun untuk Seri B dan dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo sukuk ijarah. Sukuk Ijarah Seri A senilai Rp160.000 telah dibayar lunas di tahun 2015.

Obligasi PLN XI Tahun 2010

Pada tanggal 12 Januari 2010, Perusahaan menerbitkan Obligasi PLN XI Tahun 2010 dengan jumlah nilai nominal sebesar Rp2.703.000, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A senilai Rp920.000 telah dibayar keseluruhannya di tahun 2017.

Sukuk Ijarah PLN IV Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XI Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN IV Tahun 2010 dengan nilai nominal sebesar Rp297.000, terdiri dari Seri A dan Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp15.535 per tahun untuk Seri A dan Rp20.958 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh

PLN XII Bonds Year 2010

On July 8, 2010, the Company issued PLN XII Bonds Year 2010 with a total nominal value amounting to Rp2,500,000 consisting of Series A and Series B Bonds with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the bonds. Series A bonds amounting to Rp645,000 has been fully repaid in 2015.

Sukuk Ijarah PLN V Year 2010

Concurrent with the issuance of PLN XII Bonds Year 2010, the Company also issued Sukuk Ijarah PLN V Year 2010 with a nominal value amounting to Rp500,000, consisting of Series A and Series B with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp15,520 for Series A and Rp35,360 for Series B is payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the sukuk ijarah. Series A Sukuk Ijarah amounting to Rp160,000 has been fully repaid in 2015.

PLN XI Bonds Year 2010

On January 12, 2010, the Company issued PLN XI Bonds Year 2010 with a total nominal value amounting to Rp2,703,000, consisting of Series A and Series B bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the bonds. Series A Bonds amounting to Rp920,000 has been fully repaid in 2017.

Sukuk Ijarah PLN IV Year 2010

Concurrent with the issuance of PLN XI Bonds Year 2010, the Company also issued Sukuk Ijarah PLN IV Year 2010 with a nominal value amounting to Rp297,000 consisting of Series A and Series B with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp15,535 for Series A and Rp20,958 for Series B is payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the sukuk ijarah.

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tempo sukuk ijarah. Sukuk Ijarah Seri A senilai Rp130.000 telah dibayar keseluruhannya di tahun 2017.

Series A Sukuk Ijara amounting to Rp130,000 has been fully repaid in 2017.

Obligasi PLN IX Tahun 2007

Pada tanggal 10 Juli 2007, Perusahaan menerbitkan Obligasi PLN IX Tahun 2007 dengan jumlah nilai nominal Rp2.700.000, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Oktober 2007 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A senilai Rp1.500.000 telah dibayar keseluruhannya di tahun 2017.

PLN IX Bonds Year 2007

On July 10, 2007, the Company issued PLN IX Bonds Year 2007 with a total nominal value amounting to Rp2,700,000 consisting of Series A and Series B Bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 10, 2007 until the maturity date of the bonds. Series A Bonds amounting Rp1,500,000 has been fully repaid in 2017.

Sukuk Ijarah PLN II Tahun 2007

Sukuk ijarah dengan nilai nominal Rp300.000 telah dibayar keseluruhannya di tahun 2017.

Sukuk Ijara PLN II Year 2007

Sukuk ijara with the total amount of Rp300,000 has been fully repaid in 2017.

Obligasi PLN VIII Tahun 2006

Pada tanggal 21 Juni 2006, Perusahaan menerbitkan Obligasi PLN VIII Tahun 2006 dengan jumlah nilai nominal Rp2.200.100, dengan PT Bank Mega Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 21 September 2006 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A senilai Rp1.335.100 telah dibayar keseluruhannya di tahun 2016.

PLN VIII Bonds Year 2006

On June 21, 2006, the Company issued PLN VIII Bonds Year 2006 with a total nominal value amounting to Rp2,200,100 with PT Bank Mega Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from September 21, 2006 until the maturity date of the bonds. Series A Bonds amounting to Rp1,335,100 has been fully repaid in 2016.

Sejak tanggal 18 Maret 2008, Wali Amanat berganti menjadi PT Bank Tabungan Negara (Persero) sesuai dengan Berita Acara Rapat Umum Pemegang Obligasi PLN VIII Tahun 2006 yang tertuang dalam Akta No. 34 dari Ny. Poerbaningsih Adi Warsito, S.H., notaris di Jakarta.

On March 18, 2008, the acting Trustee was changed to PT Bank Tabungan Negara (Persero) in accordance with the Minutes of Meeting of the Bondholders of PLN VIII Bonds Year 2006, as documented in notarial deed No. 34 of Mrs. Poerbaningsih Adi Warsito, S.H., notary in Jakarta.

Sehubungan dengan penerbitan seluruh obligasi dan sukuk ijarah Rupiah di atas, masing-masing perjanjian perwaliamanatan menetapkan antara lain bahwa:

In relation to the issuance of all Rupiah bonds and sukuk ijara bonds above, each trustee agreement stipulates, among others that:

- Satu tahun sejak tanggal emisi, Perusahaan dapat membeli kembali sebagian atau seluruh obligasi ini sebelum tanggal pelunasan pokok obligasi.

- *After one year from the issuance date, the Company is allowed to buy-back either a portion or the entire bonds before the maturity date.*

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- Seluruh obligasi ini tidak dijamin secara khusus, namun dijamin dengan seluruh aset Perusahaan, serta hak pemegang obligasi adalah pari passu tanpa hak khusus dengan hak-hak kreditur lain.
- Perusahaan tanpa persetujuan tertulis dari Wali Amanat tidak akan melakukan antara lain: (a) menjaminkan harta kekayaan Perusahaan; (b) memberikan penjaminan; (c) memberikan pinjaman kepada pihak lain; (d) mengadakan penggabungan, konsolidasi dan akuisisi yang menyebabkan Perusahaan bubar; (e) mengalihkan aset tetap; memberikan izin kepada entitas anak untuk memberikan pinjaman kepada pihak lain atau melakukan investasi; (f) menerbitkan obligasi dengan kedudukan lebih tinggi; dan (g) mengubah bidang usaha; mengurangi modal dasar; modal ditempatkan dan disetor.
- *The bonds are not secured by specific collateral but secured by all of the Company's assets and the bondholders' rights are pari passu without preference to the other creditors.*
- *The Company is restricted by certain covenants, which require written approval from the Trustee to: (a) use the Company's assets as collateral; (b) act as a guarantor; (c) grant a loan to another party; (d) perform any merger, consolidation or acquisition that would cause the Company to be dissolved; (e) transfer the Company's property, plant and equipment, or allow subsidiaries to grant a loan to another party or to make an investment; (f) issue higher ranking bonds; and (g) change the business activities and decrease the Company's authorized, subscribed and paid-up capital.*

Selain itu Perusahaan juga diwajibkan memenuhi: (a) rasio jumlah liabilitas keuangan terhadap jumlah aset tidak lebih dari 80%; (b) kecuali untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010, rasio antara laba sebelum beban bunga, pajak dan penyusutan dan amortisasi (EBITDA) dengan beban bunga minimum 2 : 1, untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010 minimum rasio adalah 1,5 : 1; (c) rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas berbunga yang tidak dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank) minimum 150% untuk Obligasi PLN VIII tahun 2006 dan rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas berbunga yang tidak

The Company is also required to maintain the following: (a) a ratio of total financial liabilities to total assets not exceeding 80%; (b) except for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense at a minimum of 2 : 1, for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the minimum ratio is 1.5 : 1; (c) a ratio of power plant, transmission and distribution facilities to interest-bearing liabilities which are not secured by specific collaterals (excluding two-step loans and Government and non-bank Government Financial Institution Loans) at a minimum of 150% for PLN VIII Bonds Year 2006 and a ratio of power plant, transmission and distribution facilities to interest bearing liabilities which are not secured by specific collaterals (excluding two-step

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dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman, pinjaman langsung, obligasi internasional dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank) minimum 125% untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010, dan Obligasi PLN IX Tahun 2007 dan Sukuk Ijarah PLN II Tahun 2007.

- Perusahaan tidak disyaratkan untuk membentuk penyisihan dana pelunasan obligasi.

Dana yang diperoleh dari penerbitan Obligasi Berkelanjutan II PLN Tahap II Tahun 2017 dan Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2017 digunakan untuk mendanai proyek pembangkit, transmisi dan distribusi. Obligasi Berkelanjutan II PLN Tahap I Tahun 2017 dan Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017, Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013, Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013, Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah PLN V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010 digunakan untuk mendanai proyek transmisi dan distribusi.

Obligasi PLN IX, Obligasi PLN VIII dan Sukuk Ijarah PLN II digunakan sebagai modal kerja.

Perusahaan telah memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat masing-masing obligasi dan sukuk ijarah.

loans, direct loans, global bonds and Government and non-bank Government Financial Institution Loans) at a minimum of 125% for the PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah PLN IV Year 2010 and PLN IX Bonds Year 2007 and Sukuk Ijarah PLN II Year 2007.

- *The Company was not required to provide sinking fund for such bonds.*

The proceeds from the issuance of Sustainable Bonds II PLN II Year 2017 and Sustainable Sukuk Ijarah II PLN II Year 2017 were used to finance the power plant, transmission and distribution construction projects. Sustainable Bonds II PLN I Year 2017 and Sustainable Sukuk Ijarah II PLN I Year 2017, Sustainable Bonds I PLN II Year 2013 and Sustainable Sukuk Ijarah I PLN II Year 2013, Sustainable Bonds I PLN I Year 2013 and Sustainable Sukuk Ijarah I PLN I Year 2013, PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010 were used to finance the transmission and distribution construction projects.

Bonds PLN IX, Bonds PLN VIII, and Sukuk Ijarah PLN II were used as working capital.

The Company has complied with the restrictions specified within the agreements with the acting Trustee of the corresponding bonds and sukuk ijarah.

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	2017	
	Peringkat/ Rating	Lembaga pemeringkat/ Rating agency
Obligasi/ Bonds		
PLN VIII Tahun/ Year 2006	i _{id} AAA	PT Pemeringkat Efek Indonesia
PLN IX Tahun/ Year 2007	i _{id} AAA	PT Pemeringkat Efek Indonesia
PLN XI Tahun/ Year 2010	i _{id} AAA	PT Pemeringkat Efek Indonesia
PLN XII Tahun/ Year 2010	i _{id} AAA	PT Pemeringkat Efek Indonesia
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013/ Sustainable Bonds I PLN Phase I Year 2013	i _{id} AAA	PT Pemeringkat Efek Indonesia
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013/ Sustainable Bonds I PLN Phase II Year 2013	i _{id} AAA	PT Pemeringkat Efek Indonesia
Obligasi Berkelanjutan II PLN Tahap I Tahun 2017/ Sustainable Bonds II PLN Phase I Year 2017	i _{id} AAA	PT Pemeringkat Efek Indonesia
Obligasi Berkelanjutan II PLN Tahap II Tahun 2017/ Sustainable Bonds II PLN Phase II Year 2017	i _{id} AAA	PT Pemeringkat Efek Indonesia
Sukuk Ijarah/ Sukuk Ijara		
PLN IV Tahun/ Year 2010	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia
PLN V Tahun/ Year 2010	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013/ Sustainable Sukuk Ijara I PLN Phase I Year 2013	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013/ Sustainable Sukuk Ijara I PLN Phase II Year 2013	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia
Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2013/ Sustainable Sukuk Ijara II PLN Phase I Year 2013	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia
Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2013/ Sustainable Sukuk Ijara II PLN Phase II Year 2013	i _{id} AAA(sy)	PT Pemeringkat Efek Indonesia

**Surat Utang Jangka Menengah Global
dan Obligasi Terjamin – US\$**

Rincian Surat Utang Jangka Menengah
Global dan Obligasi Terjamin adalah
sebagai berikut:

**Global Medium Term Notes and
Guaranteed Notes – US\$**

The details of Global Medium Term Notes
and Guaranteed Notes are as follows:

	Pokok/ Principal *) US\$	Harga penerbitan/ Issuing price %	Jatuh tempo/ Maturity date	Tingkat bunga/ Interest rate %	
Surat utang jangka menengah					Global medium term notes
<u>Penerbitan tahun 2017</u>					<u>Issued in 2017</u>
Jatuh tempo 2027	1,500,000,000	98.99%	15 Mei 2027/ May 15, 2027	4.13%	Due in 2027
Jatuh tempo 2047	500,000,000	98.51%	15 Mei 2047/ May 15, 2047	5.25%	Due in 2047
Subjumlah	<u>2,000,000,000</u>				Subtotal
<u>Penerbitan tahun 2012</u>					<u>Issued in 2012</u>
Jatuh tempo 2042	1,000,000,000	98.51%	24 Oktober 2042/ October 24, 2042	5.25%	Due in 2042
<u>Penerbitan tahun 2011</u>					<u>Issued in 2011</u>
Jatuh tempo 2021	1,000,000,000	99.05%	22 November 2021/ November 22, 2021	5.50%	Due in 2021

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	Pokok/ Principal *) US\$	Harga penerbitan/ Issuing price %	Jatuh tempo/ Maturity date	Tingkat bunga/ Interest rate %	
Obligasi terjamin					Guaranteed notes
<u>Penerbitan tahun 2009</u>					<u>Issued in 2009</u>
Jatuh tempo 2020	1,250,000,000	99.15%	20 Januari 2020/ January 20, 2020	7.75%	Due in 2020
Jatuh tempo 2019	750,000,000	99.15%	7 Agustus 2019/ August 7, 2019	8.00%	Due in 2019
Subjumlah	<u>2,000,000,000</u>				Subtotal
<u>Penerbitan tahun 2007</u>					<u>Issued in 2007</u>
Jatuh tempo 2037	500,000,000	98.59%	29 Juni 2037/ June 29, 2037	7.87%	Due in 2037
Jumlah	<u>6,500,000,000</u>				Total

*) dalam jumlah penuh/ in full amount

Surat Utang Jangka Menengah Global

Pada tanggal 15 Mei 2017, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$2.000.000.000 dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 15 November 2017 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

Global Medium Term Notes

On May 15, 2017, the Company issued Global Medium Term Notes amounting to US\$2,000,000,000, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from November 15, 2017 until the maturity date of the Global Medium Term Notes.

Pada tanggal 24 Oktober 2012, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$1.000.000.000 dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 24 April 2013 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

On October 24, 2012, the Company issued Global Medium Term Notes amounting to US\$1,000,000,000, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from April 24, 2013 until the maturity date of the Global Medium Term Notes.

Pada tanggal 22 November 2011, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$1.000.000.000 dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 22 Mei 2012 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

On November 22, 2011, the Company issued Global Medium Term Notes amounting to US\$1,000,000,000, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from May 22, 2012 until the maturity date of the Global Medium Term Notes.

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Obligasi Terjamin

Penerbitan tahun 2009

Pada tanggal 6 November 2009, MH, entitas anak, yang berdomisili di Belanda menerbitkan Obligasi Terjamin sejumlah US\$1.250.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 20 Januari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Pada tanggal 7 Agustus 2009, MH menerbitkan Obligasi Terjamin sejumlah US\$750.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 8 Februari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Penerbitan tahun 2007

Pada tanggal 28 Juni 2007, MH menerbitkan Obligasi Terjamin sejumlah US\$1.000.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 28 Desember 2007 sampai 28 Juni 2017. Pada Juni 2017, Obligasi Terjamin *tranche* A telah dibayar keseluruhannya di tahun 2017.

Perjanjian perwaliamanatan menetapkan bahwa:

- Tidak lebih dari 30 hari sejak dua kejadian dimana Pemerintah Indonesia kehilangan kepemilikan lebih dari 50%, baik langsung maupun tidak langsung, hak suara pada Perusahaan atau, jika dan ketika diterbitkan saham Dwiwarna Seri A dan kejadian yang menurunkan peringkat (*Change of Control Triggering Event*), MH dapat diminta untuk melakukan penawaran untuk membeli kembali Obligasi Terjamin dengan harga 101% dari nilai nominal ditambah bunga terutang sampai tanggal pembelian kembali. MH mempunyai opsi dalam waktu tertentu untuk menebus kembali seluruh Obligasi Terjamin ini dengan harga 100% dari nilai nominal, bersama dengan utang bunga dalam hal terjadinya perubahan tertentu terhadap perpajakan di Belanda atau Indonesia.

Guaranteed Notes

Issued in 2009

On November 6, 2009, MH, a subsidiary, domicile in Netherlands issued Guaranteed Notes amounting to US\$1,250,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from January 20, 2010 until the maturity date of the Guaranteed Notes.

On August 7, 2009, MH issued Guaranteed Notes amounting to US\$750,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from February 8, 2010 until the maturity date of the Guaranteed Notes.

Issued in 2007

On June 28, 2007, MH issued Guaranteed Notes amounting to US\$1,000,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from December 28, 2007 until June 28, 2017. On June 2017, Guaranteed Notes *tranche* A has been fully paid in 2017.

The Indenture stipulates that:

- No later than 30 days following the occurrence of two separate events in which the Government of the Republic of Indonesia ceases to own, directly or indirectly, more than 50% of the voting securities of the Company or, if and when issued, the Class A Dwiwarna Share and an event in which a rating declines (*Change of Control Triggering Event*), MH may be required to make an offer to repurchase all Guaranteed Notes outstanding at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase. The Guaranteed Notes are subject to redemption in whole, at 100% of their principal amount, together with any accrued interest, at the option of MH at a certain time in the event of certain changes affecting the taxes of the Netherlands or Indonesia.

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- Pembatasan tertentu termasuk antara lain: penambahan pinjaman sesuai dengan "Rasio Pengecualian", yang setelah memperhitungkan pengaruhnya terhadap pinjaman diperkenankan minimum 2 : 1; pemberian jaminan; pembayaran dividen; penggabungan usaha, akuisisi dan penjualan aset.

Perusahaan dan entitas anak memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat.

Dana yang diperoleh dari penerbitan Surat Utang Jangka Menengah Global dan Obligasi Terjamin ini digunakan untuk mendanai kebutuhan investasi program percepatan pembangunan fasilitas tenaga listrik, konstruksi rutin dan untuk tujuan umum korporasi.

- Certain covenants, including, among others: the incurrence of additional indebtedness along with the "Ratio Exception", that after giving effect to the permitted indebtedness is at least 2 : 1; the incurrence of liens; the payment of dividends; mergers, acquisitions and disposals.

The Company and its subsidiaries complied with the restrictions specified within the agreements with the acting Trustee.

The proceeds from the Global Medium Term Notes and Guaranteed Notes issued were used to fund the capital expenditure requirements in connection with the fast track program, regular construction and for general corporate purposes.

	Lembaga pemeringkat/ Rating agency		
	Moody's Investor Service, Inc.,	Standard and Poor's	Fitch
Surat utang jangka menengah global/ Global medium term notes			
Penerbitan tahun 2017/ Issued in 2017	Baa3	-	BBB
Penerbitan tahun 2012/ Issued in 2012	Baa3	BB	BBB
Penerbitan tahun 2011/ Issued in 2011	Baa3	BB	BBB
Obligasi terjamin/ Guaranteed notes			
Penerbitan tahun 2009/ Issued in 2009	Baa3	BB	-
Penerbitan tahun 2007/ Issued in 2007	Baa3	BB	-

b. Kredit Investasi Kolektif - Efek Beragun Aset ("KIK-EBA")

	2017 Rp	2016 Rp
Pembayaran jatuh tempo dalam waktu:		
Tidak lebih dari satu tahun	909,480	--
Lebih dari satu tahun	3,410,552	--
Jumlah pembayaran minimum	4,320,032	--
Biaya keuangan belum diamortisasi	(781,446)	--
Jumlah	3,538,586	--
Disajikan di laporan posisi keuangan konsolidasian:		
Liabilitas jangka pendek	630,600	--
Liabilitas jangka panjang	2,907,986	--
Jumlah	3,538,586	--

b. Collective Investment Contract – Asset Backed Securities ("KIK-EBA")

Minimum lease payments due:
Not later than one year
More than one year
Total minimum payments
Unamortized finance cost
Total
Presented in consolidated statements of financial position:
Current liabilities
Non-current liabilities
Total

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Pada tanggal 25 April 2017, PT Danareksa Investment Management ("DIM") dan PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") menandatangani akta perjanjian Kontrak Investasi Kolektif Efek Beragun Aset Danareksa Indonesia Power PLN I – Piutang Usaha ("KIK-DIPP1"). Perjanjian tersebut mengalami beberapa kali amandemen, terakhir pada tanggal 14 September 2017. Pada perjanjian tersebut DIM akan bertindak sebagai Manajer Investasi dan BRI akan bertindak sebagai Bank Kustodian.

Pada tanggal 11 September 2017 berdasarkan surat pernyataan persetujuan pengalihan piutang komponen A dalam perjanjian jual beli tenaga listrik ("PJBTL"), Perusahaan menyetujui IP, entitas anak, untuk mengalihkan piutang yang timbul atas kewajiban pembayaran tunai Komponen A Suralaya ("SLA") unit 1,2,3 dan 4 atas PJBTL SLA unit 1,2,3,4,5,6 dan 7 yang telah diamandemen pada tanggal 22 Agustus 2017 dan berlaku surut sejak tanggal 1 Januari 2017. Piutang tersebut dialihkan kepada pihak ketiga dalam rangka KIK-DIPP1, maksimal sebesar Rp5.000.000.

Pada tanggal 14 September 2017, IP menandatangani perjanjian pengikatan transaksi sekuritisasi piutang usaha Indonesia Power – PLN I No. 206.PJ/061/IP/2017 dengan DIM dan BRI. Di dalam perjanjian tersebut, IP setuju dan mengikat diri untuk menjual piutang usaha sebesar Rp4.932.107 dengan harga Rp4.000.000.

Sejak penandatanganan akta perjanjian ("Cessie") tersebut semua pembayaran atas piutang usaha yang dialihkan tetap dilakukan oleh Perusahaan kepada IP yang dalam hal ini akan menerima Dana hasil koleksi pelunasan Piutang Usaha, namun tidak lagi untuk dirinya sendiri, tetapi sebagai kapasitas yang bertindak untuk dan atas nama KIK-DIPP1.

Pada tanggal 15 September 2017, DIM bersama dengan BRI melakukan penawaran umum KIK-DIPP1 sebesar Rp4.000.000 dengan tingkat pengembalian

On April 25, 2017, PT Danareksa Investment Management ("DIM") and PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") signed a deed of Collective Investment Contract Asset Backed Securities Danareksa of Indonesia Power PLN I - Accounts Receivable ("KIK-DIPP1"). The agreement has been amended several times, the latest on September 14, 2017. Based on the agreement, DIM will act as Investment Manager and BRI will act as Custodian Bank.

On September 11, 2017 based on the statement of approval for the transfer of receivables of component A under the power purchase agreement ("PJBTL"), the Company approved IP, a subsidiary, to transfer the receivables arising from the cash payment obligations of Component A Suralaya steam power plant ("SLA") unit 1,2,3 and 4 of PJBTL SLA unit 1,2,3,4,5,6 and 7 which have been amended on August 22, 2017 and applied retroactively since January 1, 2017. The receivables were transferred to third party for KIK-DIPP1, maximum amount of Rp5,000,000.

On September 14, 2017, IP entered into an agreement for trade receivables securitization transaction of Indonesia Power - PLN I No. 206.PJ/061/IP/2017 with DIM and BRI. Under the agreement, IP agreed and binded to sell their accounts receivable amounting to Rp4,932,107 at a value price of Rp4,000,000.

Since the signing of the deed ("Cessie") agreement, all payments made to the transferred trade receivables from the Company are still manage by the IP who will collect the Receivables settlement, however those will not for itself, but act for and on behalf of KIK-DIPP1.

On September 15, 2017, DIM together with BRI initiate a public offering of KIK-DIPP1 amounting to Rp4,000,000 with a principal rate of return and investment proceeds

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pokok dan hasil Investasi dilakukan dengan *fixed installment* ("anuitas") berdasarkan dari nilai investasi dan *yield* 8,25%. Tanggal akhir pelunasan investasi adalah 19 September 2022. KIK-DIPP1 merupakan investasi dengan peringkat idAAA berdasarkan pemeringkatan yang dilakukan oleh PT Pemeringkat Efek Indonesia.

Pada laporan keuangan konsolidasian, penerimaan kas dari transaksi sekuritisasi tersebut dicatat sebagai utang Kredit Investasi Kolektif – Efek Beragun Aset (KIK-EBA).

Berdasarkan KIK-DIPP1, EBA diterbitkan oleh Bank Kustodian dalam 2 (dua) kelas yaitu:

1. EBA Kelas A dengan total nilai nominal sebesar Rp3.688.000 mewakili 92,20% dari keseluruhan aset keuangan. Pemegang EBA Kelas A memiliki hak untuk menerima arus kas tetap setiap 3 (tiga) bulan sekali yang terdiri dari pelunasan bertahap pokok investasi dan pembagian hasil investasi EBA Kelas A.
2. EBA Kelas B dengan total nominal sebesar maksimum 7,80% dari keseluruhan aset keuangan. Pemegang EBA kelas B memiliki hak untuk menerima arus kas tidak tetap pada setiap tanggal pelunasan bertahap dan tanggal pembagian hasil investasi EBA Kelas B.

Semua pembayaran atas EBA semata-mata bersumber dari Perusahaan atas piutang usaha milik IP yang disekuritisasi. Pemegang EBA kelas A mempunyai hak untuk dibayar mendahului pemegang EBA kelas B. Pemegang EBA kelas B akan menerima pembayaran pelunasan bertahap dan hasil investasi EBA kelas B setelah dilakukan pembayaran penuh atas semua EBA kelas A menurut tata urutan pembayaran (*payment waterfall*).

settled with fixed installment ("annuity") based on investment value and 8.25% yield. The final date of settlement of the investment is September 19, 2022. The KIK-DIPP1 is an investment with idAAA rating based on the rating from PT Pemeringkat Efek Indonesia.

In the consolidated financial statements, cash receipts from securitization transactions were recorded as Collective Investment Credit - Asset Backed Securities ("KIK-EBA") loans.

Based on KIK-DIPP1, EBA is issued by Custodian Bank in 2 (two) classes, namely:

1. *Class A EBA with a total nominal value of Rp3,688,000 represents 92.20% of total financial assets. Class A EBA holders have the right to receive a fixed cash flow on every 3 (three) months consist of principal gradual settlement and investment return of Class A EBA.*
2. *Class B EBA with a nominal maximum of 7.80% of total financial assets. Class B EBA holders have the right to receive variable non-fixed cash flow on each date of principal gradual settlement and investment return of EBA Class B.*

All EBA payments are solely derived from the Company on securitized IP's trade receivable. Class A EBA holders have the privilege to be paid before Class B EBA holders. Class B EBA holders will receive the principal gradual settlement and investment returns after full payment of all Class A EBA according to the payment waterfall.

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28. Utang Listrik Swasta

28. Electricity Purchase Payable

Akun ini merupakan utang listrik swasta yang direstrukturisasi melalui renegotiasi dengan IPP.

This account represents electricity purchase payable, which was restructured through renegotiation with IPP.

Rincian berdasarkan pemasok dan jadwal pembayaran pokok adalah sebagai berikut:

Details according to creditors and payment schedules are as follows:

a. Berdasarkan pemasok

a. By creditor

	2017 Rp	2016 Rp	
PT Paiton Energy (US\$490,296,755 per 2017 dan US\$514,079,190 per 2016)	6,642,540	6,907,168	<i>PT Paiton Energy (US\$490,296,755 as of 2017 and US\$514,079,190 as of 2016)</i>
PT Jawa Power (US\$54,167,514 per 2017 dan US\$54,847,946 per 2016)	733,862	736,937	<i>PT Jawa Power (US\$54,167,514 as of 2017 and US\$54,847,946 as of 2016)</i>
Jumlah	7,376,402	7,644,105	Total
Dikurangi bagian yang jatuh tempo dalam satu tahun	(349,968)	(328,683)	<i>Less current maturities</i>
Bagian jangka panjang	7,026,434	7,315,422	Long-term portion

**b. Berdasarkan jadwal pembayaran pokok,
pada nilai nominal**

**b. By installment schedule, at nominal
amount**

	2017 Rp	2016 Rp	
Dibayarkan:			<i>Payable in:</i>
Dalam satu tahun	349,968	328,683	<i>Within one year</i>
Pada tahun kedua	368,992	347,075	<i>In the second year</i>
Pada tahun ketiga	389,315	365,941	<i>In the third year</i>
Pada tahun keempat	411,073	386,096	<i>In the fourth year</i>
Setelah lima tahun	5,857,054	6,216,310	<i>After five years</i>
Jumlah pembayaran	7,376,402	7,644,105	Total payments

Utang kepada PT Paiton Energy dan PT Jawa Power dikenakan bunga per tahun masing-masing sebesar 4,81% dan 18,45% dibayar dalam 360 kali angsuran bulanan sejak 1 Januari 2002 sampai dengan 1 Desember 2031.

Payables to PT Paiton Energy and PT Jawa Power bear annual interest of 4.81% and 18.45%, respectively, and are payable in 360 monthly installments from January 1, 2002 until December 1, 2031.

29. Utang Pihak Berelasi

29. Payable to Related Parties

Utang kepada DEB pada 31 Desember 2017 dan 2016 masing – masing sebesar Rp794 dan Rp2.301 merupakan utang kepada PLN Batam, entitas anak, untuk pembelian switchyard.

Payable to DEB on December 31, 2017 and 2016 amounting to Rp794 and Rp2,301, respectively, is payable to PLN Batam, a subsidiary, for purchases of switchyard.

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30. Utang Usaha

Akun ini merupakan liabilitas sehubungan dengan pembelian tenaga listrik, bahan bakar, barang dan jasa.

Rincian utang usaha adalah sebagai berikut:

	2017 Rp	2016 Rp
Pihak berelasi		
Pembelian bahan bakar, barang dan jasa	9,078,731	6,984,764
Pembelian tenaga listrik	2,136,508	787,929
Subjumlah	<u>11,215,239</u>	<u>7,772,693</u>
Pihak ketiga		
Pembelian bahan bakar, barang dan jasa	20,982,828	17,119,615
Pembelian tenaga listrik	11,513,358	5,299,776
Subjumlah	<u>32,496,186</u>	<u>22,419,391</u>
Jumlah	<u>43,711,425</u>	<u>30,192,084</u>

Rincian utang usaha dalam mata uang asing adalah sebagai berikut:

	2017		2016		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	
US\$	543,839,978	7,367,944	416,862,980	5,600,971	US\$
JPY	--	--	31,991,723	3,692	JPY
EUR	648,299	10,485	10,972,386	155,386	EUR
Lain **)	759,254	10,286	5,081,646	68,277	Others **)
Jumlah		<u>7,388,715</u>		<u>5,828,326</u>	Total

*) Dalam jumlah penuh

**) Utang usaha dalam mata uang lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

This account represents payables arising from purchases of electricity, fuel, goods and services.

Details of trade payables are as follows:

Details of trade payables in foreign currencies are as follows:

*) *In full amount*

**) *Trade payables in other currencies are presented in US\$ equivalents using the exchange rate prevailing at reporting date*

31. Utang Lain-Lain

Perolehan aset tetap dan pekerjaan dalam pelaksanaan

	2017 Rp	2016 Rp
Rupiah	12,948,415	8,760,185
US\$	4,890,162	5,628,507
EUR	256,386	671,898
CHF	99,914	110,033

Acquisition of property, plant and equipment and construction in progress

*Rupiah
US\$
EUR
CHF*

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	2017 Rp	2016 Rp	
Karyawan	86,547	41,485	Employees
Lain-lain	998,497	660,119	Others
Pemerintah daerah	1,973,537	1,692,528	Local government
Uang muka penjualan tenaga listrik	941,967	663,880	Advances received on sale of electricity
Jumlah	22,195,425	18,228,635	Total
Dikurangi bagian jangka panjang	940,153	155,781	Less long-term portion
Bagian jangka pendek	21,255,272	18,072,854	Current portion

Pemerintah Daerah

Utang kepada Pemerintah Daerah merupakan jumlah yang ditagih Perusahaan dari pelanggan untuk pajak penerangan jalan umum. Selanjutnya jumlah yang dipungut akan diteruskan kepada Pemerintah Daerah.

Local Government

The payable to Local Government represents the amount collected by the Company from the customer for streetlight taxes. This is subsequently remitted to the respective Local Government.

Uang muka penjualan tenaga listrik

Akun ini merupakan kas yang diterima atas penjualan listrik prabayar.

Advances received on sale of electricity

This account represents cash received from the sale of prepaid electricity.

Karyawan

Utang kepada karyawan terutama merupakan penerimaan dimuka atas cicilan penjualan rumah dinas.

Employees

Payable to employees mainly represents receipt of advance installment payment from employees related to house installment.

32. Utang Pajak

32. Taxes Payable

	2017 Rp	2016 Rp	
Perusahaan			The Company
Pajak kini			Current tax
Pajak penghasilan			Income taxes
Pasal 21	269,754	50,416	Article 21
Pasal 22	115,596	65,721	Article 22
Pasal 23	60,699	60,912	Article 23
Pasal 15, 25 dan 26	512,847	481,069	Article 15, 25 and 26
Pajak pertambahan nilai	761,410	594,298	Value added tax
Bea materai	24,405	13,523	Stamp duty
Subjumlah	1,744,711	1,265,939	Subtotal
Entitas anak			Subsidiaries
Pajak kini	104,265	126,858	Current tax
Pajak penghasilan			Income taxes
Pasal 21	172,665	60,981	Article 21
Pasal 22	26,165	16,723	Article 22
Pasal 23	31,331	32,897	Article 23
Pasal 15, 25 dan 26	59,854	84,383	Article 15, 25 and 26
Pajak pertambahan nilai	248,873	363,147	Value added tax
Pajak bumi dan bangunan	--	18	Land and building taxes
Subjumlah	643,153	685,007	Subtotal
Jumlah	2,387,864	1,950,946	Total

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33. Biaya Masih Harus Dibayar

33. Accrued Expenses

	2017 Rp	2016 Rp	
Bunga dan beban keuangan Pihak berelasi			<i>Interest and financing charges Related parties</i>
Utang bank	465,511	447,596	<i>Bank loans</i>
Utang penerusan pinjaman	275,160	235,460	<i>Two-step loans</i>
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non bank	15,081	119,640	<i>Government and non bank Government financial institution loans</i>
Utang usaha atas pembelian BBM	--	19,713	<i>Trade payables on purchases of fuel</i>
Jumlah pihak berelasi	<u>755,752</u>	<u>822,409</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Utang obligasi dan sukuk ijarah	1,500,296	1,338,615	<i>Bonds payable and sukuk ijara</i>
Utang bank	495,279	394,765	<i>Bank loans</i>
Utang sewa pembiayaan	411,282	341,403	<i>Lease liabilities</i>
Utang listrik swasta	48,713	39,027	<i>Electricity purchase payable</i>
Jumlah pihak ketiga	<u>2,455,570</u>	<u>2,113,810</u>	<i>Total third parties</i>
Subjumlah	<u>3,211,322</u>	<u>2,936,219</u>	<i>Subtotal</i>
Liabilitas imbalan kerja karyawan jangka pendek			<i>Employee benefit liabilities short-term</i>
Bonus dan insentif prestasi kerja	5,907,215	6,159,817	<i>Bonus and performance incentives</i>
Biaya operasional	2,358,900	1,548,523	<i>Operational charges</i>
Jumlah	<u>11,477,437</u>	<u>10,644,559</u>	<i>Total</i>

Rincian biaya masih harus dibayar dalam mata uang asing adalah sebagai berikut:

Details of accrued expenses in foreign currencies are as follows:

	2017		2016		
	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>equivalent Rp</i>	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>equivalent Rp</i>	
US\$	134,199,763	1,818,138	113,279,119	1,522,018	<i>US\$</i>
JPY	4,561,471,496	548,373	4,198,343,675	484,509	<i>JPY</i>
EUR	1,058,278	17,116	1,136,639	16,097	<i>EUR</i>
Lain-lain **)	123,095	1,668	138,506	1,861	<i>Others **)</i>
Jumlah		<u>2,385,295</u>		<u>2,024,485</u>	<i>Total</i>

*) Dalam jumlah penuh

**) Biaya masih harus dibayar dalam mata uang asing lainnya disajikan setara US\$ dengan menggunakan kurs tanggal pelaporan.

*) *In full amount*

**) *Accrued expenses denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at reporting date.*

34. Uang Jaminan Langgan

34. Customers' Security Deposits

Akun ini merupakan uang jaminan langganan yang ditentukan berdasarkan besar daya dan golongan tarif. Uang jaminan langganan akan dikembalikan apabila pelanggan berhenti menjadi pelanggan, dengan memperhitungkan rekening listrik belum dibayar.

This account represents security deposits from customers determined based on power supply and electricity tariff. Customer security deposits will be refunded, net of unpaid electricity bills, upon discontinuation of customers' subscriptions.

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35. Utang Biaya Proyek

Akun ini merupakan utang kepada kontraktor atas biaya konstruksi dan pengadaan material. Akun ini akan direklasifikasi ke akun penerusan pinjaman pada saat penerbitan *Withdrawal Authorization (WA)* atau dokumen lain yang sejenis.

35. Project Cost Payable

This account represents payable to contractors arising from construction expense and purchases of materials. This account will be reclassified into the two-step loans account at the issuance of the Authorization (WA) or other similar documents.

36. Penjualan Tenaga Listrik

Penjualan tenaga listrik menurut pelanggan adalah sebagai berikut:

	2017 Rp	2016 Rp
Pihak berelasi		
Badan Usaha Milik Negara	5,487,610	5,125,587
Pihak ketiga		
Umum	229,444,319	199,054,085
Lembaga dan kementerian	10,677,460	10,077,117
TNI dan Polri	1,222,172	1,118,787
Jumlah pihak ketiga	241,343,951	210,249,989
Jumlah	246,831,561	215,375,576
Masa uji coba	(244,705)	(1,235,742)
Jumlah penjualan bersih	246,586,856	214,139,834

Testing dan masa uji coba (*commissioning test*) merupakan serangkaian kegiatan pemeriksaan dan pengujian instalasi listrik yang telah selesai dikerjakan dan hendak dioperasikan. Beban dan pendapatan atas penjualan tenaga listrik yang terjadi pada masa uji coba dikapitalisasi ke Pekerjaan Dalam Pelaksanaan konstruksi dikarenakan instalasi listrik belum beroperasi.

Penjualan tenaga listrik tahun 2017 dan 2016 didasarkan pada Tarif Dasar Listrik, yang ditetapkan oleh Pemerintah dan Pemerintah Daerah, sebagai berikut:

- Peraturan Menteri ESDM Republik Indonesia No. 31 Tahun 2014, tentang Tarif Tenaga Listrik yang disediakan oleh PT PLN (Persero) yang diperbarui dengan Peraturan Menteri ESDM No. 9 Tahun 2015, Peraturan Menteri ESDM No. 28 Tahun 2016 dan terakhir diperbarui dengan Peraturan Menteri ESDM No. 41 Tahun 2017.

36. Sale of Electricity

Sale of electricity by customers is as follows:

	2017 Rp	2016 Rp	
			Related parties
			State-Owned Enterprises
			Third parties
			Public
			Institutions and ministries
			Indonesian Armed Forces
			Total of third parties
			Total
			Commissioning test
			Total sales - net

Testing and commissioning (commissioning test) are series of inspection and testing activities for electrical installations that have been completed and are going to be operated. The costs and revenues from the sale of electricity that occurred during the commissioning test are capitalized into Construction in Progress because the electrical installation has not been commercially operated.

Sale of electricity for the years 2017 and 2016 are based on the Basic Electricity Tariff determined by the Government and Local Government as follows:

- Regulation of the Minister of ESDM of the Republic of Indonesia No. 31 Year 2014, regarding the Tariff of Electricity provided by PT PLN (Persero), which has been amended by Regulation of the Minister of ESDM No. 9 Year 2015, Regulation of the Minister of ESDM No. 28 Year 2016 and with the latest amended by Regulation of the Minister of ESDM No. 41 Year 2017.*

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- Peraturan Gubernur Kepulauan Riau No. 38 Tahun 2015 tentang tarif tenaga listrik yang disediakan oleh PLN Batam yang berlaku untuk penjualan tenaga listrik tahun 2016.
- Peraturan Gubernur Kepulauan Riau No. 21 Tahun 2017 tentang tarif tenaga listrik yang disediakan oleh PLN Batam yang berlaku untuk penjualan tenaga listrik tahun 2017.

Tidak terdapat penjualan kepada pelanggan dengan jumlah melebihi 10% dari penjualan tenaga listrik.

- Regulation of the Governor of Riau Islands No. 38 Year 2015, regarding the tariff of electricity provided by PLN Batam is applicable for sale of electricity for the year 2016.
- Regulation of the Governor of Riau Islands No. 21 Year 2017, regarding the tariff of electricity provided by PLN Batam is applicable for sale of electricity for the year 2017.

The Company has no single customer from which it generates revenue of more than 10% of total sale of electricity.

37. Subsidi Listrik Pemerintah

Pendapatan subsidi merupakan pendapatan dari Pemerintah Indonesia atas selisih antara biaya yang diperbolehkan ditambah margin 7% dengan harga jual aktual per masing-masing golongan tarif kecuali untuk golongan tarif yang telah mendapatkan penyesuaian tarif otomatis menurut Peraturan Menteri ESDM No. 09 Tahun 2015 tentang perubahan atas Peraturan Menteri ESDM No. 31 Tahun 2014 tentang tarif tenaga listrik yang disediakan oleh PT PLN (Persero).

Pemerintah Republik Indonesia memberikan subsidi listrik kepada pelanggan melalui Perusahaan. Tata cara penghitungan dan pembayaran subsidi listrik periode Anggaran 31 Desember 2017 menggunakan Peraturan Menteri Keuangan No. 44/PMK.02/2017 yang diperbarui dengan Peraturan Menteri Keuangan No. 162/PMK.02/2017 tanggal 15 November 2017. Subsidi listrik dihitung dari selisih negatif antara harga jual tenaga listrik rata-rata (Rp/kWh) dari masing-masing golongan tarif dikurangi Biaya Pokok Penyediaan ("BPP") tenaga listrik (Rp/kWh) pada tegangan di masing-masing golongan tarif dikalikan volume penjualan (kWh) untuk setiap golongan tarif. BPP tenaga listrik dihitung berdasarkan formula, termasuk tingkat susut jaringan transmisi dan distribusi, yang ditetapkan oleh ESDM c.q Direktorat Jenderal Ketenagalistrikan.

37. Government's Electricity Subsidy

Subsidy revenue represent the revenue from the Government of Indonesia for difference between allowable cost plus 7% margin with actual sales price for each tariff group except for tariff group which received automatic tariff adjustment based on the Minister of ESDM Regulation No. 09 Year 2015 regarding changes on the Minister of ESDM Regulation No. 31 Year 2014 regarding electricity tariff provided by PT PLN (Persero).

The Government of the Republic of Indonesia has provided electricity subsidy to customers through the Company. The procedure for calculation and payment of electricity subsidy for Budget period December 31, 2017 are using the Minister of Finance Regulation No. 44/PMK.02/2017 as amended by Minister of Finance Regulation No 162/PMK.02/2017 dated November 15, 2017. The electricity subsidy is calculated from the negative difference between the average sales prices (Rp/kWh) of each tariff group less the cost of electricity supplies (Rp/kWh) on the voltage at each tariff group multiplied by the electricity sales volume (kWh) for each tariff group. The cost of electricity supplies is computed based on the formula, including the rate of transmission and distribution losses which is determined by the Directorate General of Electricity under the Ministry of ESDM.

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Berdasarkan Surat Pengesahan Daftar Isian Pelaksanaan Anggaran ("DIPA") revisi tanggal 30 Desember 2016 No.SP.DIPA-999.07.1.979321/2017 dan 31 Desember 2015 No.SP.DIPA-999.07.1.979321/2016, pagu tertinggi subsidi listrik tahun anggaran 2017 dan 2016 ditetapkan masing-masing sebesar Rp44.983.700 dan Rp63.098.157. Masing-masing plafon tersebut termasuk 7% margin diatas BPP tenaga listrik.

Based on the Approval Letter of Budget Performance List ("DIPA") revised dated December 30, 2016 No.SP.DIPA-999.07.1.979321/2017 and December 31, 2015 No.SP.DIPA-999.07.1.979321/2016, the electricity subsidy plafond for budget year 2017 and 2016 amounted to Rp44,983,700 and Rp63,098,157, respectively. Each of the plafond amount includes 7% margin above the costs of electricity supplies.

Besarnya subsidi listrik dalam satu tahun anggaran secara final ditetapkan berdasarkan hasil audit atas ketaatan penggunaan subsidi listrik yang dilakukan oleh auditor yang ditunjuk Menteri Keuangan c.q Direktorat Jenderal Anggaran.

The amount of the electricity subsidy within a budget year is finalized based on the result of the compliance audit of the usage of the electricity subsidy performed by an auditor assigned by the Directorate General of Budget under the Ministry of Finance.

Tanggal 19 Maret 2018 BPK RI menerbitkan Laporan Hasil Pemeriksaan dengan tujuan tertentu subsidi listrik tahun anggaran 2017 No.01/BA/03/2018 yang menetapkan bahwa hasil audit perhitungan subsidi listrik tahun 2017 adalah sebesar Rp45.738.215.

On March 19, 2018 BPK RI has issued an Audit Report on the specific purpose of electricity subsidy for fiscal year 2017 No.01/BA/03/2018 which determined that the audit result of electricity subsidy calculation in 2017 was amounted to Rp45,738,215.

Pendapatan subsidi listrik dirinci sebagai berikut:

The details of revenue from electricity subsidy are as follows:

	2017 Rp	2016 Rp	
Realisasi penerimaan subsidi tahun anggaran berjalan			<i>Realization of subsidy from current year budget</i>
Penerimaan tunai	45,375,200	37,287,383	<i>Cash received</i>
saling hapus dengan pajak revaluasi	--	13,529,920	<i>Offset with revaluation tax</i>
Piutang subsidi listrik berjalan	363,015	7,225,962	<i>Subsidy receivable budget</i>
Jumlah	45,738,215	58,043,265	Total

38. Pendapatan Usaha Lain-Lain

38. Other Revenues

	2017 Rp	2016 Rp	
Jaringan dan jasa telekomunikasi	942,049	816,278	<i>Telecommunication network and service</i>
Sewa transformator	378,850	312,725	<i>Transformer rental</i>
Perubahan daya tersambung dan administrasi	13,225	25,284	<i>Upgrading of electricity power and administration fees</i>
Jasa-jasa dan lainnya	260,809	475,699	<i>Services and others</i>
Jumlah	1,594,933	1,629,986	Total

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39. Beban Bahan Bakar dan Pelumas

39. Fuel and Lubricants Expense

	2017 Rp	2016 Rp	
Bahan bakar minyak			<i>Fuel</i>
<i>Solar high speed diesel</i>	18,264,985	19,191,437	<i>Solar high speed diesel</i>
Residu	3,838,411	3,570,435	<i>Residue</i>
<i>Solar industrial diesel</i>	3,270	4,315	<i>Solar industrial diesel</i>
Lainnya	1,209,498	1,291,002	<i>Others</i>
Subjumlah	<u>23,316,164</u>	<u>24,057,189</u>	<i>Subtotal</i>
Bahan Bakar - Non Minyak			<i>Nonfuel</i>
Gas alam	47,604,339	51,079,829	<i>Natural gas</i>
Batubara	42,415,815	30,901,389	<i>Coal</i>
Panas bumi	3,022,044	2,834,209	<i>Geothermal</i>
Air	325,228	322,631	<i>Water</i>
Subjumlah	<u>93,367,426</u>	<u>85,138,058</u>	<i>Subtotal</i>
Minyak pelumas	264,234	297,136	<i>Lubricants</i>
Jumlah	<u>116,947,824</u>	<u>109,492,383</u>	<i>Total</i>

Jumlah pembelian Perusahaan dari pemasok yang melebihi 10% dari total pendapatan Perusahaan adalah masing-masing sebesar Rp19.129.336 dan Rp22.581.839 tahun 2017 dan 2016 dari PT Pertamina (Persero) (pihak berelasi) (Catatan 51).

Purchases from a single supplier exceeding 10% of the Company's total revenues were transacted with PT Pertamina (Persero) (a related party) amounting to Rp19,129,336 and Rp22,581,839, in 2017 and 2016, respectively (Note 51).

40. Beban Pembelian Tenaga Listrik

40. Purchased Electricity Expenses

Akun ini termasuk pembelian tenaga listrik dari IPP terkait PPA dan ESC, pembelian tenaga listrik selama masa uji coba dan pembelian tenaga listrik dari kelebihan produksi dari IPP tertentu. Rinciannya adalah sebagai berikut:

This account includes purchase of electricity from certain IPPs in relation to PPAs and ESCs, purchase of electricity during the commissioning stage and purchase of excess electricity generated by certain IPPs. The details are as follows:

	2017 Rp	2016 Rp	
Pihak berelasi			<i>Related parties</i>
PT Sumber Segara Primadaya	6,547,601	3,281,618	<i>PT Sumber Segara Primadaya</i>
PT Pertamina Geothermal Energy	2,076,654	916,737	<i>PT Pertamina Geothermal Energy</i>
PT Bajradaya Sentranusa	781,022	775,713	<i>PT Bajradaya Sentranusa</i>
PT Geo Dipa Energi	742,444	589,986	<i>PT Geo Dipa Energi</i>
PT Bukit Pembangkit Innovative	671,673	444,259	<i>PT Bukit Pembangkit Innovative</i>
PT Dalle Energy Batam	529,834	545,847	<i>PT Dalle Energy Batam</i>
Subjumlah	<u>11,349,228</u>	<u>6,554,160</u>	<i>Subtotal</i>
Pihak ketiga			<i>Third parties</i>
PT Paiton Energy	13,121,901	11,912,764	<i>PT Paiton Energy</i>
PT Jawa Power	8,082,414	6,925,687	<i>PT Jawa Power</i>
PT Cirebon Energi Power	3,892,763	3,555,402	<i>PT Cirebon Energi Power</i>
Subjumlah	<u>25,097,078</u>	<u>22,393,853</u>	<i>Subtotal</i>
Lain-lain (masing - masing dibawah 5% dari jumlah)	35,980,335	30,781,377	<i>Others (each under 5% of total)</i>
Jumlah	<u>72,426,641</u>	<u>59,729,390</u>	<i>Total</i>

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41. Beban Sewa

Akun ini sebagian besar merupakan biaya penyewaan mesin diesel dan genset yang ditentukan sebagai sewa operasi.

41. Lease Expenses

This account mostly represents the rental of diesel engines and gensets determined as operating leases.

42. Beban Pemeliharaan

Akun ini merupakan beban yang timbul dari pemakaian material dan jasa borongan untuk keperluan pemeliharaan. Rinciannya adalah sebagai berikut:

42. Maintenance Expenses

This account represents spare parts used and contractor fees for maintenance purposes. The details are as follows:

	2017 Rp	2016 Rp	
Jasa borongan	13,392,384	14,439,884	<i>Contractor fees</i>
Pemakaian material	6,123,222	6,786,852	<i>Spare parts used</i>
Jumlah	19,515,606	21,226,736	Total

43. Beban Kepegawaian

	2017 Rp	2016 Rp	
Jasa produksi dan insentif prestasi kerja	6,502,303	7,001,682	<i>Bonus and performance incentives</i>
Imbalan kerja (Catatan 49)	5,242,042	4,968,131	<i>Employee benefits (Note 49)</i>
Gaji	4,463,052	4,262,154	<i>Salaries</i>
Tunjangan	2,811,243	2,708,988	<i>Allowances</i>
Lain-lain	4,105,871	3,719,010	<i>Others</i>
Jumlah	23,124,511	22,659,965	Total

43. Personnel Expenses

44. Beban Usaha Lain-Lain

	2017 Rp	2016 Rp	
Baca meter	1,132,563	1,084,739	<i>Meter reading</i>
Pengelolaan pelanggan	810,243	666,112	<i>Customer maintenance</i>
Perjalanan dinas	781,490	725,198	<i>Travel</i>
Penagihan rekening dan penertiban pemakaian tenaga listrik	766,563	686,023	<i>Billing collection and orderliness of electricity used</i>
Honorarium	765,285	751,655	<i>Honorarium</i>
Teknologi informasi	641,408	536,176	<i>Technological information</i>
Lain-lain (masing-masing di bawah 5% dari jumlah)	2,809,202	2,834,161	<i>Others (each below 5% of total)</i>
Jumlah	7,706,754	7,284,064	Total

44. Other Operating Expenses

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45. Beban Keuangan

45. Financial Cost

	2017 Rp	2016 Rp	
Pihak berelasi			<i>Related parties</i>
Utang bank	5,545,937	3,774,489	<i>Bank loans</i>
Penerusan pinjaman	547,187	633,599	<i>Two-step loans</i>
Utang kepada Pemerintah	514,091	558,962	<i>Government loans</i>
Instrumen derivatif	62,552	105,215	<i>Derivative instruments</i>
Jumlah pihak berelasi	<u>6,669,767</u>	<u>5,072,265</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Utang sewa pembiayaan	3,874,639	4,273,840	<i>Lease liabilities</i>
Utang obligasi	4,504,284	6,487,714	<i>Bonds payable</i>
Utang bank	2,929,784	2,289,708	<i>Bank loans</i>
Utang listrik swasta	457,281	471,406	<i>Electricity purchase payable</i>
Lain-lain	121,176	108,343	<i>Others</i>
Jumlah pihak ketiga	<u>11,887,164</u>	<u>13,631,011</u>	<i>Total third parties</i>
Jumlah	<u>18,556,931</u>	<u>18,703,276</u>	Total

46. Penghasilan Lain-Lain – Bersih

46. Other Income – Net

	2017 Rp	2016 Rp	
Penghasilan denda administrasi	2,038,007	1,848,808	<i>Administrative penalty income</i>
Kenaikan nilai wajar properti investasi	1,051,363	878,619	<i>Increase in the fair value of investment property</i>
Bagian laba bersih entitas asosiasi dan ventura bersama	811,191	490,705	<i>Equity in net income of associates and joint ventures</i>
Penghasilan jasa dan klaim	47,755	44,988	<i>Claim and service income</i>
Keuntungan penjualan aset tidak digunakan dalam operasi	45,983	27,705	<i>Gain on sale of assets not used in operations</i>
Beban penelitian	(33,707)	(27,417)	<i>Research expenses</i>
Program pemberdayaan lingkungan	(204,338)	(81,079)	<i>Community development programs</i>
Kerugian penurunan nilai aset tetap tidak digunakan dalam operasi	(327,986)	(167,941)	<i>Loss on impairment of of asset not used in operations</i>
Lain-lain	(18,327)	(1,922,022)	<i>Others</i>
Jumlah	<u>3,409,941</u>	<u>1,092,366</u>	Total

47. Pajak Penghasilan

47. Income Tax

Beban pajak Perusahaan dan entitas anak
terdiri dari:

*Tax Expense of the Company and its
subsidiaries consists of the following:*

	2017 Rp	2016 Rp	
Beban pajak kini	(385,032)	(263,510)	<i>Current tax</i>
Beban pajak tangguhan	(3,730,923)	(5,164,333)	<i>Deferred tax expenses</i>
Jumlah beban pajak	<u>(4,115,955)</u>	<u>(5,427,843)</u>	Total tax expenses

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a. Pajak Kini

Rekonsiliasi antara laba (rugi) sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan laba kena pajak (rugi fiskal) Perusahaan adalah sebagai berikut:

	2017 Rp	2016 Rp	
Laba sebelum pajak menurut laporan laba rugi komprehensif konsolidasian	8,544,072	13,578,226	<i>Income before tax per consolidated statements of profit or loss and other comprehensive income</i>
Laba (rugi) sebelum pajak entitas anak	(11,397,167)	(9,698,078)	<i>Income (loss) before tax attributable to subsidiaries</i>
Laba (rugi) sebelum pajak Perusahaan	(2,853,095)	3,880,148	<i>Income (loss) before tax - the Company</i>
Perbedaan temporer:			<i>Temporary differences:</i>
Sewa pembiayaan	(1,953,523)	(1,875,414)	<i>Lease expenses</i>
Penyambungan pelanggan	63,448	(331,315)	<i>Customer connection fees</i>
Penyusutan aset tetap	(19,541,433)	(49,697,132)	<i>Depreciation of property, plant and equipment</i>
Imbalan kerja	1,682,116	1,337,285	<i>Employee benefits</i>
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal			<i>Nondeductible expenses (nontaxable income)</i>
Penyisihan piutang ragu-ragu dan penurunan nilai persediaan	208,581	210,544	<i>Allowance for doubtful accounts and decline in value of inventories</i>
Kesejahteraan karyawan	925,900	809,141	<i>Employee welfare</i>
Penyusutan rumah dinas	5,267	5,267	<i>Depreciation of guest house</i>
Penghasilan bunga telah dikenakan pajak final	(780,608)	(307,309)	<i>Interest income subjected to final tax</i>
Revaluasi aset	(3,445,081)	--	<i>Assets revaluation</i>
Beban lain tidak dapat dikurangkan	12,250,998	2,883,839	<i>Other nondeductible expenses</i>
Laba kena pajak (rugi fiskal) Perusahaan tahun berjalan	(13,437,430)	(43,084,946)	<i>The Company's taxable income (fiscal loss) for the year</i>
Rugi fiskal tahun: 2016	(40,686,691)	--	<i>Fiscal losses year: 2016</i>
Akumulasi rugi fiskal Perusahaan	(54,124,121)	(43,084,946)	<i>Accumulated fiscal losses the Company</i>

Pajak penghasilan kini dihitung berdasarkan taksiran penghasilan kena pajak. Nilai tersebut mungkin disesuaikan pada saat Surat Pemberitahuan Tahunan Pajak disampaikan ke Kantor Pelayanan Pajak.

Rugi fiskal dapat dikompensasikan dengan laba fiskal pada masa lima tahun mendatang sejak kerugian fiskal terjadi. Manajemen memperkirakan bahwa akumulasi kerugian fiskal dapat dikompensasikan dengan laba fiskal di masa mendatang. Sehingga per 31 Desember 2017, Perusahaan dan entitas anak mengakui aset pajak tangguhan dari akumulasi rugi fiskal sebesar Rp19.966.029.

a. Current Tax

A reconciliation between income (loss) before tax per consolidated statements of profit or loss and other comprehensive income and taxable income (fiscal losses) of the Company is as follows:

Current income tax is computed based on estimated taxable income. The amount may be adjusted when the Annual Tax returns are filed with the Tax Office.

The fiscal loss can be compensated against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes that it is probable future taxable profits will be available to be utilized accumulated fiscal losses. Therefore as of December 31, 2017, the Company and its subsidiaries' recognized deferred tax assets from accumulated fiscal losses amounted to Rp19,966,029.

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Perhitungan beban dan utang pajak kini
(pajak penghasilan lebih bayar) adalah
sebagai berikut:

*Current tax expense and payable (income
tax overpayment) are as follows:*

	2017 Rp	2016 Rp	
Beban pajak kini			<i>Current tax expense</i>
Perusahaan	--	--	<i>The Company</i>
Entitas anak	385,032	263,510	<i>Subsidiaries</i>
Jumlah	385,032	263,510	<i>Total</i>
Pembayaran pajak dimuka			<i>Prepayment of taxes</i>
Perusahaan			<i>The Company</i>
Pajak penghasilan			<i>Income tax</i>
Pasal 22	78,632	82,817	<i>Article 22</i>
Pasal 23	13,356	22,731	<i>Article 23</i>
Pasal 25	--	--	<i>Article 25</i>
Jumlah	91,988	105,548	<i>Total</i>
Entitas anak	802,458	853,478	<i>Subsidiaries</i>
Jumlah	894,446	959,026	<i>Total</i>
Lebih bayar pajak kini - bersih	(509,414)	(695,516)	<i>Current tax prepayment - net</i>
Terdiri dari			<i>Consist of</i>
Utang pajak kini			<i>Current tax payable</i>
Perusahaan	--	--	<i>The Company</i>
Entitas anak	104,265	126,858	<i>Subsidiaries</i>
Jumlah hutang pajak kini	104,265	126,858	<i>Total current tax payable</i>
Pajak penghasilan lebih bayar			<i>Income tax overpayment</i>
Perusahaan	(91,988)	(105,548)	<i>The Company</i>
Entitas anak	(521,690)	(716,827)	<i>Subsidiaries</i>
Jumlah pajak penghasilan lebih bayar	(613,678)	(822,375)	<i>Total income tax overpayment</i>

b. Pajak Tangguhan

Rincian dari aset dan liabilitas pajak
tanggung Perusahaan dan entitas anak
adalah sebagai berikut:

b. Deferred Tax

*The details of the Company and its
subsidiaries deferred tax assets and
liabilities are as follows:*

	1 Januari/ January 1, 2017 Rp	Dikreditkan (dibebankan) ke laporan laba rugi/ Credited (charged) to income Rp	Dikreditkan ke pendapatan komprehensif lain/ Credited to other comprehensive income Rp	Reklasifikasi/ Reclassification Rp	31 Desember/ December 31, 2017 Rp	
Aset Pajak tangguhan						<i>Deferred tax assets</i>
Akumulasi rugi fiskal	16,007,239	3,958,790	--	(6,434,999)	13,531,030	<i>Accumulated fiscal losses</i>
Liabilitas imbalan kerja	11,139,625	459,614	1,394,191	(1,374,730)	11,618,700	<i>Employee benefit liabilities</i>
Pendapatan ditangguhkan	287,264	15,862	--	--	303,126	<i>Deferred revenue</i>
Sewa pembiayaan	(1,535,196)	(748,384)	--	--	(2,283,580)	<i>Leases</i>
Aset tetap	(16,451,314)	(7,008,930)	--	9,848,339	(13,611,905)	<i>Property, plant and equipment</i>
Perbedaan temporer karena revisi surat DJP	242,298	(242,298)	--	--	--	<i>Temporary differences due to revision of DGT letter</i>
Bonus	203,458	(36,198)	--	(167,260)	--	<i>Bonus</i>
Penyisihan persediaan	8,543	(206)	--	(8,190)	147	<i>Provision inventories</i>
Penyisihan piutang usaha	4,159	4,796	--	--	8,955	<i>Provision account receivable</i>
Laba dari entitas asosiasi	(23,592)	10,006	3,377	10,209	--	<i>Income form associates</i>
Biaya ditangguhkan	(481)	481	--	--	--	<i>Deferred charges</i>
Aset pajak tangguhan akhir tahun	9,882,003	(3,586,467)	1,397,568	1,873,369	9,566,473	<i>Deferred tax assets at the end of the year</i>

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Liabilitas pajak tangguhan						Deferred tax liabilities
Akumulasi rugi fiskal	20,009	(20,009)	--	6,434,999	6,434,999	Accumulated fiscal losses
Liabilitas imbalan kerja	11,525	(5,298)	11,177	1,374,730	1,392,134	Employee benefit liabilities
Pendapatan ditangguhkan	10,689	1,931	--	--	12,620	Deferred revenue
Sewa pembiayaan	(2,070)	(1,320)	--	--	(3,390)	Leases
Bonus	--	--	--	167,260	167,260	Bonus
Aset tetap	(85,766)	(106,233)	--	(9,848,339)	(10,040,338)	Property, plant and equipment
Penyisihan persediaan	--	23	--	8,190	8,213	Provision inventories
Penyisihan piutang usaha	6,932	(3,777)	--	--	3,155	Provision account receivable
Laba dari entitas asosiasi	(20,753)	(9,771)	9	(10,209)	(40,724)	Income from associates
Lainnya	(291)	(2)	--	--	(293)	Others
Liabilitas pajak tangguhan akhir tahun	(59,725)	(144,456)	11,186	(1,873,369)	(2,066,364)	Deferred tax liabilities at the end of the year
		(3,730,923)	1,408,754			

	1 Januari/ January 1, 2016 Rp	Penyesuaian penerapan/ Application adjustment POJK No.6 Rp	1 Januari/ January 1, 2016 setelah penyesuaian/ after adjustment Rp	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to income for the period Rp	Dikreditkan ke pendapatan komprehensif lain/ Credited to other comprehensive income Rp	31 Desember/ December 31, 2016 Rp	
Aset Pajak tangguhan							Deferred tax assets
Akumulasi rugi fiskal	--	--	--	16,007,239	--	16,007,239	Accumulated fiscal losses
Liabilitas imbalan kerja	10,032,919	--	10,032,919	416,974	689,733	11,139,626	Employment benefits liabilities
Pendapatan ditangguhkan	382,635	--	382,635	(95,371)	--	287,264	Deferred revenue
Sewa pembiayaan	13,721,427	(14,787,770)	(1,066,343)	(468,854)	--	(1,535,197)	Leases
Aset tetap	4,815,402	--	4,815,402	(21,266,717)	--	(16,451,315)	Property, plant and equipment
Perbedaan sementara karena surat revisi DJP	--	--	--	242,298	--	242,298	Temporary difference due to revision of DGT
Bonus	130,298	--	130,298	73,160	--	203,458	Bonus
Penyisihan persediaan	1,560	--	1,560	6,983	--	8,543	Provision inventories
Penyisihan piutang usaha	10,684	--	10,684	(6,525)	--	4,159	Provision account receivable
Laba dari entitas asosiasi	(8,836)	--	(8,836)	(14,755)	--	(23,591)	Income from associates
Biaya ditangguhkan	2,182	--	2,182	(2,663)	--	(481)	Deferred charges
Aset pajak tangguhan akhir tahun	29,088,271	(14,787,770)	14,300,501	(5,108,231)	689,733	9,882,003	Deferred tax assets at the end of the year
Liabilitas pajak tangguhan							Deferred tax liabilities
Akumulasi rugi fiskal	703	--	703	19,306	--	20,009	Accumulated fiscal losses
Liabilitas imbalan kerja	791	--	791	8,882	1,852	11,525	Employment benefits liabilities
Pendapatan ditangguhkan	--	--	--	10,689	--	10,689	Deferred revenue
Sewa pembiayaan	--	--	--	(2,070)	--	(2,070)	Leases
Aset tetap	(6,670)	--	(6,670)	(79,096)	--	(85,766)	Property, plant and equipment
Penyisihan piutang usaha	--	--	--	6,932	--	6,932	Provision account receivable
Laba dari entitas asosiasi	--	--	--	(20,753)	--	(20,753)	Income from associates
Amortisasi biaya emisi obligasi	(299)	--	(299)	8	--	(291)	Amortization of bonds issuance cost
Liabilitas pajak tangguhan akhir tahun	(5,475)	--	(5,475)	(56,102)	1,852	(59,725)	Deferred tax liabilities at the end of the year
				(5,164,333)	691,585		

Analisis aset dan liabilitas pajak tangguhan
adalah sebagai berikut:

The analysis of deferred tax assets and
deferred tax liabilities is as follows:

	2017 Rp	2016 Rp	
Aset pajak tangguhan			Deferred tax assets
Aset pajak tangguhan yang akan dipulihkan setelah 12 bulan	11,081,862	13,216,944	Deferred tax assets to be recovered after 12 months
Aset pajak tangguhan yang akan dipulihkan dalam 12 bulan	(1,515,389)	(3,334,941)	Deferred tax assets to be recovered within 12 months
Liabilitas pajak tangguhan			Deferred tax liabilities
Liabilitas pajak tangguhan yang akan dipulihkan setelah 12 bulan	--	--	Deferred tax liabilities to be recovered after 12 months
Liabilitas pajak tangguhan yang akan dipulihkan dalam 12 bulan	(2,066,364)	(59,725)	Deferred tax liabilities to be recovered within 12 months

Rekonsiliasi antara jumlah (manfaat) beban

A reconciliation between the total tax

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pajak dan hasil perkaitan laba (rugi) sebelum pajak dengan tarif pajak efektif adalah sebagai berikut:

(benefit) expense and the amounts computed by applying the effective tax rates to the profit (loss) before tax is as follows:

	2017 Rp	2016 Rp	
Laba sebelum pajak menurut laporan laba rugi komprehensif konsolidasian	8,544,072	13,578,226	<i>Profit before tax per consolidated statements of comprehensive income</i>
Beban pajak sesuai tarif yang berlaku	2,136,018	3,394,557	<i>Tax expenses at prevailing rate</i>
Pengaruh pajak atas:			<i>Tax effect on:</i>
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal			<i>Nondeductible expenses (nontaxable income)</i>
Kesejahteraan karyawan	316,303	309,115	<i>Employee welfare</i>
Bagian atas laba bersih entitas asosiasi dan ventura bersama	52,636	(191,555)	<i>Share in net income of associates and joint venture</i>
Penyusutan rumah dinas	1,317	--	<i>Depreciation of guest house</i>
Penghasilan bunga dikenakan pajak final	(229,254)	(179,275)	<i>Interest income subjected to final tax</i>
Beban lain tidak dapat dikurangkan	1,838,935	2,095,002	<i>Other nondeductible expenses</i>
Jumlah	4,115,955	5,427,843	Total

**c. Surat Ketetapan Pajak
Perusahaan**

Selama periode 2010-2016, Perusahaan menerima beberapa Surat Ketetapan Pajak ("SKP") dan Surat Tagihan Pajak ("STP") atas berbagai Pajak Panghasilan ("PPH") dan PPN, untuk tahun pajak 2008-2013, atas SKP/STP tersebut Perusahaan telah mengajukan surat keberatan ke DJP.

Sehubungan dengan keikutsertaan Perusahaan dalam program pengampunan pajak, seluruh SKP/STP tersebut telah dihapuskan dan perusahaan telah melakukan pembayaran atas utang pokok pajak atas SKP/STP tersebut sebesar Rp3.692.224 dan di catat di penghasilan (beban) lain-lain bersih.

Pada bulan Februari 2017, Perusahaan telah menerima keputusan Mahkamah Agung Republik Indonesia mengenai sengketa PPh 26 tahun 2007, 2008, dan 2009 yang menyatakan bahwa peninjauan kembali yang diajukan Perusahaan dikabulkan sepenuhnya. Sehubungan dengan hal tersebut, Perusahaan mengajukan permohonan restitusi kepada DJP dan telah menerima sebagian restitusi sebesar Rp643.379 dan sisanya sebesar Rp925.743 dikompensasikan untuk

**c. Tax Assessment Letters
The Company**

During 2010-2016, the Company has received various Tax Assessment Letter ("SKP") and Tax Collection Letter ("STP") on various income and PPN for the fiscal year 2008-2013, the Company filed an objection letter to DGT.

In relation to Company's participation in tax amnesty program, all of the SKP/STP had been written off and the Company has paid the principal amount on SKP/STP amounting to Rp3,692,224 and recorded in osthers income (expense) - net.

On February 2017, the Company received the decision of Supreme Court of Republic of Indonesia regarding to dispute on Tax income article 26 year 2007, 2008, and 2009 stated that juridical review filed by the Company have been granted. Furthermore, the Company also submitted restitution of these tax to DGT and received some of the restitution amounting to Rp643,379 and for the remaining amount of Rp925,743, is compensated for payment of tax assessment letters for underpayment

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pembayaran Surat Keterangan Pajak Kurang Bayar ("SKPKB") 2016 dan dicatat dalam pajak dibayar dimuka (catatan 18).

("SKPKB") 2016 and recorded as prepaid taxes (notes 18).

Pada bulan Desember 2017, Perusahaan telah menerima SKPKB atas PPh Badan tahun 2016 dan STP PPN tahun 2016 dengan jumlah total Rp11.242.786. Perusahaan telah melakukan pembayaran sebesar Rp1.504.992, dicatat sebagai pajak dibayar dimuka. Perusahaan telah mengajukan keberatan atas SKPKB tersebut dan sedang menunggu keputusan keberatan (catatan 18).

On December 2017, the Company received SKPKB of Corporate Income Tax for fiscal year 2016 and STP PPN 2016 amounting to Rp11,242,786. The Company has paid Rp1,504,992, recorded as prepaid tax. The Company submitted an objection letter for SKPKB and still awaiting the objection decision letter (notes 18).

d. Pengampunan Pajak

Perusahaan dan entitas anak Perusahaan berpartisipasi dalam pengampunan pajak sehubungan dengan diberlakukannya Peraturan Menteri Keuangan No.118/PMK.03/2016 tentang Pelaksanaan Undang-Undang No.11 Tahun 2016 tentang Pengampunan Pajak sebagaimana telah diubah dengan Peraturan Menteri Keuangan No.141/PMK.03/2016 dan Peraturan Direktorat Jenderal Pajak No.PER-18/PJ/2016 tentang Pengembalian Kelebihan Pembayaran Uang Tebusan Dalam Rangka Pengampunan Pajak.

d. Tax Amnesty

The Company and its subsidiaries participated in Tax Amnesty in connection with the implementation of Regulation of the Minister of Finance No.118/PMK.03/2016 on the Implementation of Law No.11 of 2016 regarding Tax Amnesty, as amended by the Minister of Finance Regulation No.141/PMK.03/2016 and the Directorate General of Tax Regulation No.PER-18/PJ/2016 regarding the refund of excess payment on compensation for Tax Amnesty.

Rincian Surat Ketetapan Pengampunan Pajak ("SKPP") yang diterbitkan oleh Kementerian Keuangan Republik Indonesia adalah:

Details of Tax Amnesty Approval Letter ("TAAL") issued by the Ministry of Finance of the Republic of Indonesia are as follows:

Perusahaan/ Companies	No SKPP	Tanggal/ Date	Jumlah Aset pengampunan pajak/ Total tax amnesty assets*) Rp
PT Perusahaan Listrik Negara (PLN)	KET-295/PP/WPJ.19/2017	5 April/ April 5, 2017	46,987
PT Haleyora Powerindo (HPI)	KET-2931/PP/WPJ.09/2016	4 Desember/ December 4, 2016	316
PT Indonesia Power (IP)	KEP-778/PP/WPJ/19/2016	4 Oktober/ October 4, 2016	9,609
PT Artha Daya Coalindo (ADC)	KEP-1327/PP/WPJ.19/2016	8 Desember/ December 8, 2016	635
PT Pembangkitan Jawa-Bali (PJB)	KEP-777/PP/WPJ/19/2016	4 Oktober/ October 4, 2016	44,080
PT PLN Batam	KEP-1040/PP/WPJ.19/2016	17 Oktober/ October 17, 2016	40,053
			141,680

*) Tidak terdapat liabilitas pengampunan pajak yang dilaporkan/ There is no tax amnesty liabilities declared

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48. Laba Per Saham Dasar dan Dilusian

48. Basic and Diluted Earnings Per Share

Laba bersih

Laba bersih untuk tujuan perhitungan laba per saham dasar tahun 2017 dan 2016 masing-masing sebesar Rp4.410.210 dan Rp8.113.656.

Net income

Net income for the computation of basic earnings per share in 2017 and 2016 amounted to Rp4,410,210 and Rp8,113,656, respectively.

Jumlah saham

Rata-rata tertimbang saham untuk tujuan perhitungan laba per saham dasar untuk tahun 2017 dan 2016 adalah masing-masing 87.259.643 saham dan 54.087.903 saham.

Number of shares

The weighted average number of shares for the computation of basic earnings per share for 2017 and 2016 were 87,259,643 shares and 54,087,903 shares, respectively.

Perusahaan tidak mempunyai efek berpotensi dilusi saham, sehingga laba per saham dasar sama dengan laba per saham dilusian.

The Company did not have potential dilutive ordinary shares, thus basic earnings per share are the same as the dilutive earnings per share.

49. Liabilitas Imbalan Kerja

49. Employee Benefits Liabilities

	2017 Rp	2016 Rp	
Liabilitas diakui di laporan posisi keuangan:			Liabilities recognized on statements of financial position:
Imbalan pascakerja			Post-employment benefits
Program pensiun	463,745	118,035	Pension plan
Imbalan pascakerja lainnya	13,334,566	13,371,371	Other post-employment benefits
Imbalan pemeliharaan kesehatan	37,415,582	30,152,741	Health care benefits
Imbalan jangka panjang lainnya	908,056	962,452	Other long-term benefits
Jumlah	52,121,949	44,604,599	Total
Disajikan di laporan posisi keuangan konsolidasian sebagai:			Presented in consolidated statements of financial position:
Liabilitas jangka pendek	8,562,927	3,494,487	Current liabilities
Liabilitas jangka panjang	43,559,022	41,110,112	Non-current liabilities
Jumlah	52,121,949	44,604,599	Total
Beban diakui di laba rugi: (Catatan 43)			Expense recognize in profit or loss: (Note 43)
Imbalan pascakerja			Post-employment benefits
Program pensiun	136,032	19,940	Pension plan
Imbalan pascakerja lainnya	1,883,208	1,896,211	Other post-employment benefits
Imbalan pemeliharaan kesehatan	2,850,567	2,708,183	Health care benefits
Imbalan jangka panjang lainnya	372,235	343,797	Other long-term benefits
Jumlah	5,242,042	4,968,131	Total
Pengukuran kembali program imbalan pasti diakui di penghasilan komprehensif lain:			Remeasurement on defined benefit plan recognized in other comprehensive income:
Program pensiun	599,757	506,991	Pension plan
Imbalan pascakerja lainnya	(296,195)	(56,053)	Other post-employment benefits
Imbalan pemeliharaan kesehatan	5,331,453	2,315,404	Health care benefits
Jumlah	5,635,015	2,766,342	Total

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Program pensiun imbalan pasti

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Program pensiun ini memberikan imbalan berdasarkan penghasilan dasar pensiun dan masa kerja karyawan.

Program pensiun ini dikelola oleh Dana Pensiun PLN ("DP-PLN"), pihak berelasi, yang akta pendiriannya telah disahkan oleh Kementerian Keuangan Republik Indonesia dengan Surat Keputusannya No. KEP-284/KM.17/1997 tanggal 15 Mei 1997.

DP-PLN telah mendapat persetujuan dari Menteri Keuangan Republik Indonesia dalam surat keputusan No. KEP-8/NB.1/2016 tanggal 11 Februari 2016 atas peningkatan imbalan pasti pensiun yang disediakan Perusahaan dan entitas anak dalam program dana pensiun.

Pendanaan DP-PLN terutama berasal dari iuran karyawan dan pemberi kerja masing-masing sebesar 6,00% dan 13,41% dari Penghasilan Dasar Pensiun.

Imbalan pemeliharaan kesehatan

Selain program pensiun yang dikelola oleh DP-PLN, Perusahaan dan entitas anak menyediakan imbalan program pemeliharaan kesehatan tanpa pendanaan bagi pensiunan dan tanggungannya yang memenuhi persyaratan.

Imbalan pascakerja lainnya

Selain dari program dana pensiun dan imbalan pemeliharaan kesehatan, Perusahaan dan entitas anak menyediakan imbalan pesangon dan penghargaan purna jabatan tanpa pendanaan bagi pegawai yang memenuhi syarat.

Imbalan jangka panjang lainnya

Perusahaan dan entitas anak juga memberikan imbalan kerja jangka panjang lainnya seperti uang cuti besar, tunjangan kecelakaan dinas dan penghargaan kesetiaan kerja.

Defined benefit pension plan

The Company and its subsidiaries established a defined benefit pension plan covering all of its eligible permanent employees. This pension plan provides benefits based on basic pension income and the period of employment.

This pension plan is managed by Dana Pensiun PLN ("DP-PLN"), a related party, whose deed of establishment was approved by the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP-284/KM.17/1997 dated May 15, 1997.

DP-PLN has obtained an approval from the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP-8/NB.1/2016 dated on February 11, 2016 in relation to the increase in pension benefits provided by the Company and its subsidiaries' pension plan.

DP-PLN is mainly funded by contributions from both the employees and the employer which are 6.00% and 13.41% from basic pension income, respectively.

Health care benefits

In addition to the pension plan managed by DP-PLN, the Company and its subsidiaries also provide unfunded health care benefit plans for their pensioners and their eligible dependents.

Other post-employment benefits

In addition to the pension plan and health care benefits, the Company and its subsidiaries also provide unfunded severance benefits and completion of employment award for eligible employees.

Other long-term benefits

The Company and its subsidiaries also provide other long-term employee benefits such as long leave allowance, disability benefit and loyalty benefit.

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Asumsi yang digunakan dalam perhitungan
liabilitas imbalan kerja

Assumption used in the calculations of
employment benefits liabilities

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Tabel mortalita	CSO-58	Mortality table
Tingkat pengunduran diri		Resignation rate
Usia 18 s.d. 49 tahun	0.27%	Age 18 up to 49 years old
Usia 50 s.d. 55 tahun	0.01%	Age 50 up to 55 years old
Usia pensiun normal	56 tahun/	Normal retirement age

Asumsi yang berhubungan dengan pengalaman mortalitas masa depan ditentukan berdasarkan saran aktuaris menurut statistik yang telah diterbitkan dan pengalaman Perusahaan dan entitas anak. Asumsi mortalitas yang digunakan adalah tabel mortalita CSO-58 yang diterapkan dalam penghitungan liabilitas kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistic and experiences by the Company and its subsidiaries. The mortality assumptions used are based on the CSO-58 mortality table which applied in calculating the long term benefits liability recognized within the consolidated statement of financial position.

Penilaian aktuarial atas program pensiun, imbalan pascakerja lainnya, imbalan pemeliharaan kesehatan dan imbalan kerja jangka panjang lainnya untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016, dilakukan oleh perusahaan konsultan aktuarial terdaftar, PT Binaputera Jaga Hikmah.

The actuarial calculations of pension plan, other post-employment benefits, health care benefits and other long term benefits for the years ended December 31, 2017 and 2016 were prepared by a registered actuarial consulting firm, PT Binaputera Jaga Hikmah.

Pada tahun 2015, Perusahaan dan entitas anak melakukan studi untuk melihat tabel mortalitas mana yang paling sesuai dengan profil mortalitas pegawai dan pensiunan Perusahaan dan entitas anak. Dalam melakukan studi, Perusahaan dan entitas anak telah mempertimbangkan CSO-58, CSO-58 modifikasian, TMI 1 1993, TMI 2 1999, TMI 3 2011, dan Tabel Mortalita Taspen 2012. Dari studi tersebut, Perusahaan dan entitas anak menemukan bahwa tabel mortalitas yang paling sesuai dengan profil mortalitas pegawai dan pensiunan Perusahaan dan entitas anak adalah CSO-58. Perusahaan dan entitas anak menerapkan CSO-58 secara retrospektif.

In 2015, the Company and its subsidiaries conducted a study to determine which mortality tables that best suits with the Company and its subsidiaries' employee and pensioners' mortality profile. In the study, the Company and its subsidiaries have considered CSO-58, CSO-58 modified, TMI 1 1993, TMI 2 1999, TMI 3 2011, and Taspen mortality table 2012. Based on the study, the Company and its subsidiaries found that mortality table that suits most with mortality profile of the Company and its subsidiaries' employees and pensioners is CSO-58. The Company and its subsidiaries apply CSO-58 retrospectively.

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(i) Program Pensiun

Jumlah yang diakui pada laporan posisi keuangan konsolidasian ditentukan sebagai berikut:

	2017 Rp	2016 Rp	
Nilai kini kewajiban yang didanai	8,633,567	7,842,473	Present value of funded obligations
Nilai wajar aset program	(8,169,822)	(7,724,438)	Fair value of plan assets
Defisit program yang didanai	463,745	118,035	Deficit of funded plans
Nilai kini kewajiban yang tidak didanai	--	--	Present value of unfunded obligations
Liabilitas pada laporan Posisi keuangan	463,745	118,035	Liability in the statement of financial position

(i) Pension Plan

The amounts recognized in the consolidated statements of financial position are determined as follows:

Mutasi nilai kini kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

Movement its of present value of defined benefit obligation during the year is as follows:

	2017 Rp	2016 Rp	
Pada awal tahun	7,842,473	6,346,704	At beginning of the year
Dibebankan ke laba rugi:			Charged to profit or loss:
Biaya jasa kini	142,568	146,379	Current service cost
Biaya bunga	636,079	552,168	Interest expense
	778,647	698,547	
Dibebankan ke penghasilan komprehensif lain: (Keuntungan) kerugian aktuarial dari:			Charged to other comprehensive income:
Perubahan asumsi demografik	--	194,593	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	190,654	(381,867)	Financial assumptions
Kombinasi perubahan asumsi	--	(70,367)	Combination of change in assumptions
Penyesuaian atas pengalaman	509,544	1,697,607	Experience adjustment
	9,321,318	8,485,217	
Pembayaran manfaat	(687,751)	(642,744)	Benefit payment
Pada akhir tahun	8,633,567	7,842,473	At end of the year

Mutasi nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

Movement of fair value of plan assets during the year is as follows:

	2017 Rp	2016 Rp	
Pada awal tahun	7,724,438	7,030,467	At beginning of the year
Imbal hasil atas aset program	642,615	607,871	Return on plan assets
Iuran pemberi kerja	333,468	408,895	Employer's contributions
Iuran pekerja	56,611	70,737	Employee's contributions
Pembayaran manfaat	(687,751)	(642,744)	Benefit payment
Kerugian aktuarial pada aset program	100,441	249,212	Actuarial loss on plan assets
Pada akhir tahun	8,169,822	7,724,438	At the end of the year

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Aset program terdiri dari:

Plan assets comprise the following:

	2017				2016				
	Memiliki kuotasi harga/ Quoted price Rp	Tidak memiliki kuotasi harga/ Unquoted price Rp	Jumlah/ Total Rp	%	Memiliki kuotasi harga/ Quoted price Rp	Tidak memiliki kuotasi harga/ Unquoted price Rp	Jumlah/ Total Rp	%	
Surat Berharga Negara	1,288,072	--	1,288,072	15.77%	1,283,965	--	1,283,965	16.62%	Government bonds
Tabungan	--	75,935	75,935	0.93%	--	10,550	10,550	0.14%	Saving accounts
Deposito on call	--	23,635	23,635	0.29%	--	12,185	12,185	0.16%	Deposits on call
Deposito berjangka	--	388,155	388,155	4.75%	--	611,225	611,225	7.91%	Time deposits
Saham	979,347	--	979,347	11.99%	789,298	--	789,298	10.22%	Shares
Obligasi	2,750,032	--	2,750,032	33.66%	2,653,659	--	2,653,659	34.35%	Bonds
Sukuk	9,984	--	9,984	0.12%	9,986	--	9,986	0.13%	Sukuk
Unit penyertaan reksa dana	1,059,385	--	1,059,385	12.97%	1,041,514	--	1,041,514	13.48%	Mutual fund units
Efek beragunan aset	48,369	--	48,369	0.59%	--	--	--	--	Asset backed securities
Penempatan langsung	--	617,725	617,725	7.56%	--	401,001	401,001	5.19%	Direct investments
Tanah	--	78,274	78,274	0.96%	--	78,274	78,274	1.01%	Land
Bangunan	--	418,488	418,488	5.12%	--	418,488	418,488	5.42%	Buildings
Tanah dan bangunan	--	369,344	369,344	4.52%	--	356,940	356,940	4.62%	Land and buildings
Lain-lain	--	63,077	63,077	0.77%	--	57,353	57,353	0.75%	Other
Total	6,135,189	2,034,633	8,169,822	100%	5,778,422	1,946,016	7,724,438	100%	Total

Asumsi aktuarial utama yang digunakan
adalah sebagai berikut:

The principal actuarial assumptions used
were as follows:

	2017 %	2016 %	
Tingkat diskonto	7.26%	8.50%	Discount rate
Tingkat kenaikan gaji per tahun	5.00%	5.00%	Salary increase rate per annum

Kontribusi yang diharapkan untuk program
imbangan pascakerja untuk tahun yang
berakhir pada 31 Desember 2018 adalah
Rp124.419.

Expected contributions to post-employment
benefit plans for the year ended December
31, 2018 amounted to Rp124,419.

Sensitivitas dari kewajiban imbalan pasti
terhadap perubahan asumsi aktuarial
utama adalah sebagai berikut:

The sensitivity of the defined benefit
obligation to changes in the weighted
principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1%	Penurunan sebesar/ Decrease by 1.81%	Kenaikan sebesar/ Increase by 2.06%	Discount rate
Tingkat kenaikan gaji	1%	kenaikan sebesar/ Increase by 2.06%	Penurunan sebesar/ Decrease by 1.83%	Salary rate
Tingkat mortalitas	1%	Penurunan sebesar/ Decrease by 0.02%	Kenaikan sebesar/ Increase by 0.02%	Mortality rate

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Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Imbalan perhitungan sensitivitas liabilitas kerja jangka panjang atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini liabilitas imbalan kerja jangka panjang dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam perhitungan liabilitas imbalan kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

The sensitivity analysis are based on a change in a single assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the long term benefits liabilities to significant actuarial assumptions, the same method (present value of the long term benefits liabilities calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the long term benefits liabilities recognized in the consolidated statement of financial position.

(ii) Imbalan Pascakerja Lainnya

Mutasi kewajiban imbalan pascakerja lainnya selama tahun berjalan adalah sebagai berikut:

(ii) Other Post-Employment Benefits

Movement of post-employment benefits obligation during the year is as follows:

	2017 Rp	2016 Rp	
Pada awal tahun	13,371,371	13,256,657	<i>At the beginning of the year</i>
Dibebankan ke laba rugi			<i>Charged to profit or loss</i>
Biaya jasa kini	822,522	770,969	<i>Current service cost</i>
Biaya bunga	1,063,478	1,125,242	<i>Interest expense</i>
Harapan dari hasil investasi	(2,792)	--	<i>Expectations on investment returns</i>
	1,883,208	1,896,211	
Dibebankan ke			<i>Charged to</i>
penghasilan komprehensif lain:			<i>other comprehensive income:</i>
(Keuntungan) kerugian aktuarial dari:			<i>Actuarial (gain) loss from change in:</i>
Perubahan asumsi demografik	--	81,563	<i>Demographic assumptions</i>
Perubahan asumsi keuangan	303,549	579,633	<i>Financial assumptions</i>
Kombinasi perubahan asumsi	(200,788)	5,110	<i>Combination of change in assumptions</i>
Penyesuaian atas pengalaman	(398,955)	(722,359)	<i>Experience adjustment</i>
	14,958,385	15,096,815	
Pembayaran manfaat	(1,623,819)	(1,725,444)	<i>Benefit payment</i>
Pada akhir tahun	13,334,566	13,371,371	<i>At end of the year</i>

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2017 %	2016 %	
Tingkat diskonto	7.24%	8.45%	<i>Discount rate</i>
Tingkat kenaikan gaji per tahun	8.30%	7.87%	<i>Salary increase rate per annum</i>

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Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1%	Penurunan sebesar/ Decrease by 6.94%	Kenaikan sebesar/ Increase by 8.22%	Discount rate
Tingkat kenaikan biaya kesehatan di masa depan	1%	Kenaikan sebesar/ Increase by 8.05%	Penurunan sebesar/ Decrease by 6.92%	Medical inflation rate
Tingkat mortalitas	1%	Penurunan sebesar/ Decrease by 0.01%	Penurunan sebesar/ Decrease by 0.01%	Mortality rate

(iii) Imbalan Pemeliharaan Kesehatan

Perusahaan dan entitas anak memiliki beberapa skema imbalan pemeliharaan kesehatan pascakerja. Metode akuntansi, asumsi dan frekuensi penilaian adalah sama dengan yang digunakan dalam skema pensiun imbalan pasti.

(iii) Health Care Benefits

The Company and its subsidiaries operate a number of post-employment health care benefit schemes. The accounting method, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes.

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

Movement of defined benefit obligation over the year is as follows:

	2017 Rp	2016 Rp	
Pada awal tahun	30,152,741	25,969,297	At beginning of the year
Dibebankan ke laba rugi:			Changed to profit or loss:
Biaya jasa kini	411,499	367,427	Current service cost
Biaya bunga	2,439,068	2,340,756	Interest expense
	2,850,567	2,708,183	
Dibebankan ke penghasilan komprehensif lain: (Keuntungan) kerugian aktuarial dari:			Charged to other comprehensive income:
Perubahan asumsi demografik	--	543,568	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	5,473,627	2,290,814	Financial assumptions
Kombinasi perubahan asumsi	--	69,696	Combination of change in assumptions
Penyesuaian atas pengalaman	(142,174)	(588,674)	Experience adjustment
	38,334,761	30,992,884	
Pembayaran manfaat	(919,179)	(840,143)	Benefit payment
Pada akhir tahun	37,415,582	30,152,741	At end of the year

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2017 %	2016 %	
Tingkat diskonto	7.26%	8.50%	Discount rate
Tingkat kenaikan gaji per tahun	6.00%	7.50%	Salary increase per annum
Tingkat kenaikan biaya kesehatan jangka panjang	6.00%	6.00%	Long-term increase rate in health costs

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Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	Penurunan sebesar/ Decrease by 12.09%	Kenaikan sebesar/ Increase by 15.01%	Discount rate
Tingkat kenaikan biaya kesehatan di masa depan	Kenaikan sebesar/ Increase by 11.86%	Penurunan sebesar/ Decrease by 9.79%	Health costs increase rate
Tingkat mortalitas	Penurunan sebesar/ Decrease by 0.63%	Kenaikan sebesar/ Increase by 0.64%	Mortality rate

(iv) Imbalan Kerja Jangka Panjang Lainnya
Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

(iv) Other Long-term Employee Benefits
Movement of defined benefit obligation during the year is as follows:

	2017 Rp	2016 Rp	
Pada awal tahun	962,452	1,001,182	At beginning of the year
Dibebankan ke laba rugi			Charged to profit or loss
Biaya jasa kini	308,911	299,056	Current service cost
Biaya bunga	63,324	74,581	Interest expense
	372,235	373,637	
Pengukuran kembali program imbalan pasti dibebankan ke laba rugi: (Keuntungan) kerugian aktuarial dari:			Remeasurement on defined benefit plan charged to profit or loss:
Perubahan asumsi demografik	--	67	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	28,347	14,237	Financial assumptions
Kombinasi perubahan asumsi	(19)	(1)	Combination of change in assumptions
Penyesuaian atas pengalaman	(29,695)	(58,245)	Experience adjustment
	1,333,320	1,330,877	
Pembayaran manfaat	(425,264)	(368,425)	Benefit payment
Pada akhir tahun	908,056	962,452	At end of the year

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2017 %	2016 %	
Tingkat diskonto	7.24%	8.44%	Discount rate
Tingkat kenaikan gaji per tahun	7.20%	7.66%	Salary increase rate per annum

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	Penurunan sebesar/ Decrease by 2.71%	Kenaikan sebesar/ Increase by 2.89%	Discount rate
Tingkat kenaikan biaya kesehatan di masa depan	Kenaikan sebesar/ Increase by 2.75%	Penurunan sebesar/ Decrease by 2.61%	Medical inflation rate
Tingkat mortalitas	Penurunan sebesar/ Decrease by 0%	Penurunan sebesar/ Decrease by 0%	Mortality rate

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Perusahaan dan entitas anak terekspos dengan beberapa risiko melalui program imbalan pasti dan program kesehatan pascakerja. Risiko yang paling signifikan adalah sebagai berikut:

The Company and its subsidiaries are exposed to a number of risks through its defined benefit pension plans and post-employment medical plans. The most significant risks are as follows:

Volatilitas aset

Liabilitas program dihitung menggunakan tingkat diskonto yang merujuk kepada tingkat imbal hasil surat utang negara. Jika imbal hasil aset program lebih rendah, maka akan menghasilkan defisit program.

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields. If the yield of plan assets is lower, it will generate a deficit program.

Harapan umur hidup

Sebagian besar dari liabilitas program menyediakan manfaat seumur hidup, sehingga kenaikan harapan umur hidup akan mengakibatkan kenaikan liabilitas program.

Life expectancy

The majority of the plans' obligations are to provide lifetime benefit, so that the increase in life expectancy will result in an increase in the plans' liabilities.

Investasi didiversifikasi dengan baik, sehingga kinerja buruk satu investasi tidak akan memberikan dampak material bagi seluruh kelompok aset. Proporsi terbesar aset investasi ditempatkan pada instrumen utang, meskipun Perusahaan dan entitas anak juga berinvestasi pada properti, obligasi, reksadana dan kas. Perusahaan dan entitas anak meyakini bahwa instrumen ekuitas memberikan imbal hasil yang paling baik dalam jangka panjang pada tingkatan risiko yang dapat diterima.

Investments are well-diversified, such that the failure of any single investment would not have a material impact for the entire class of assets. The largest proportion of assets is invested in debt instruments, although the Company and its subsidiaries also invest in property, bonds, mutual funds and cash. The Company and its subsidiaries believe that equities offer the best returns over the long term with an acceptable level of risk.

Rata-rata ekspektasi sisa masa kerja adalah 20,83 tahun.

Average expected remaining service year is 20.83 year.

Analisis jatuh tempo yang diharapkan dari imbalan pascakerja dan imbalan jangka panjang lainnya yang tidak terdiskonto adalah sebagai berikut:

Expected maturity analysis of undiscounted post-employment benefit and other long-term benefit is as follows:

	Kurang dari 1 tahun/ Less than 1 year Rp	2 sampai 5 tahun/ Between 2 to 5 years Rp	Lebih dari 5 tahun/ Over 5 years Rp	Jumlah/ Total Rp	
Imbalan pascakerja					Post-employment benefits
Program pensiun	701,131	1,612,539	8,798,383	11,112,053	Pension plan
Imbalan pemeliharaan kesehatan	1,047,664	2,730,210	69,868,643	73,646,517	Health care benefits
Imbalan pascakerja lainnya	2,132,634	5,819,671	125,213,791	133,166,096	Other post-employment benefit
Imbalan kerja jangka panjang lainnya	280,114	1,229,037	1,484,507	2,993,658	Other long-term employee benefit
Jumlah	4,161,543	11,391,457	205,365,324	220,918,324	Total

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50. Transaksi Non-Kas

50. Non-Cash Transactions

	2017 Rp	2016 Rp	
Aktivitas investasi dan pendanaan yang tidak mempengaruhi kas:			<i>Noncash investing and financing activities:</i>
Perolehan aset sewaan melalui utang sewa pembiayaan	3,632,755	--	<i>Additions leased property through lease liabilities</i>
Perolehan pekerjaan dalam pelaksanaan melalui:			<i>Additions to construction in progress through:</i>
Penarikan pinjaman dan utang biaya proyek	3,933,998	1,855,825	<i>Drawdown of loans and project cost payable</i>
Bantuan Pemerintah	308,300	2,596,132	<i>Government equity participation</i>
Kapitalisasi biaya pinjaman	317,728	242,936	<i>Capitalization of borrowing costs</i>
Kapitalisasi beban penyusutan	--	16,512	<i>Capitalization of depreciation expense</i>
Utang lain-lain	2,954,335	(1,281,216)	<i>Other payables</i>
Piutang lain-lain	1,671	--	<i>Other receivables</i>
Perolehan aset tetap melalui pengampunan pajak	46,987	94,504	<i>Addition of property plant and equipment through tax amnesty</i>
Aset tidak lancar lainnya	--	217,363	<i>Other non current asset</i>
Pembayaran pajak revaluasi aset melalui subsidi listrik pemerintah	--	13,529,921	<i>Tax payment on asset revaluation through Government's electricity subsidy</i>
Penambahan nilai aset melalui hasil revaluasi dan kenaikan nilai wajar properti investasi	1,051,363	878,619	<i>Addition of value of assets through revaluation and increase in fair value of investment properties</i>
Kerugian penurunan nilai aset tetap	327,986	--	<i>Impairment on property, plant and equipment</i>
Penambahan properti investasi yang berasal dari reklasifikasi aset tetap	2,331,781	--	<i>Addition of investment property from property, plant and equipment reclassification</i>
Pengakuan tanah hibah	--	820,906	<i>Recognition of land grants</i>

51. Sifat dan Transaksi dengan Pihak Berelasi

51. Nature of Relationships and Transactions with Related Parties

Sifat Hubungan Berelasi

- a. Pemerintah dalam hal ini adalah Menteri Keuangan Republik Indonesia yang merupakan pemegang saham Perusahaan dan BUMN.
- b. Perusahaan mempunyai hubungan berelasi dengan BUMN lainnya yang dimiliki bersama oleh Kementerian Keuangan.
- c. Perusahaan dan entitas anak mempunyai pengaruh signifikan atas investasi pada entitas asosiasi atau ventura bersama (Catatan 8).
- d. Dewan Komisaris dan Direksi merupakan personil manajemen kunci Perusahaan dan entitas anak.

Nature of Related Parties

- a. The Government is the Minister of Finance of the Republic of Indonesia, the shareholder of the Company and BUMN.
- b. The Company is related to other BUMN owned by the Ministry of Finance.
- c. The Company and its subsidiaries have significant influence on investments in associates or joint ventures (Note 8).
- d. The Board of Commissioners and Directors is a member of the key management of the Company and its subsidiaries.

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Berikut ini adalah daftar pihak berelasi yang memiliki transaksi dengan Perusahaan:

Below is the list of related parties with which the Company has transactions:

Pihak-pihak berelasi/ <i>Related parties</i>	Sifat hubungan/ <i>Nature of relationship</i>	Sifat transaksi/ <i>Nature of transaction</i>
Pemerintah Republik Indonesia/ <i>Government of Republic of Indonesia</i> (“Pemerintah”)	Pemegang saham akhir/ <i>Ultimate Shareholder</i>	Penerimaan subsidi listrik, penerimaan penerusan pinjaman, dan utang kepada pemerintah/ <i>Receipt of electricity subsidy, two step loan and government loan</i>
PT Bank Rakyat Indonesia (Persero) Tbk (“Bank Rakyat Indonesia”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas, rekening bank dan deposito yang dibatasi penggunaannya, investasi jangka pendek, dan penerimaan utang bank/ <i>Placement of cash and cash equivalents, restricted cash in bank and time deposits, short-term investment, and receipt of bank loans</i>
PT Bank Mandiri (Persero) Tbk (“Bank Mandiri”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas, investasi jangka pendek, dan penerimaan utang bank/ <i>Placement of restricted cash in bank and time deposit, cash and cash equivalents, short-term investment, and receipt of bank loans</i>
PT Bank Negara Indonesia (Persero) Tbk (“Bank Negara Indonesia”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas, dan penerimaan utang bank/ <i>Placement of restricted cash in bank and time deposit, cash and cash equivalents, and receipt of bank loans</i>
PT Bank DKI (“Bank DKI”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas dan penerimaan utang bank/ <i>Placement of cash and cash equivalents and receipt of bank loans</i>
PT Bank Tabungan Negara (Persero) Tbk (“Bank Tabungan Negara”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas <i>Placement of cash and cash equivalents</i>
PT Pertamina Geothermal Energy	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Pertamina (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar dan minyak pelumas/ <i>Purchase of fuels and lubricants</i>
PT Tambang Batubara Bukit Asam (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Perusahaan Gas Negara (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Wijaya Karya (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi jasa konstruksi/ <i>Construction services transaction</i>
PT Nusantara Regas	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Surveyor Indonesia (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pelayanan teknik, survei dan pengukuran batubara/ <i>Engineering services, survey and coal measurement</i>

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Pihak-pihak berelas/ <i>Related parties</i>	Sifat hubungan/ <i>Nature of relationship</i>	Sifat transaksi/ <i>Nature of transaction</i>
PT Sucofindo (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pelayanan teknik, survei dan pengukuran batubara/ <i>Engineering services, survey and coal measurement</i>
PT Djakarta Lloyd (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi jasa transportasi bahan bakar dan batubara/ <i>Fuels and coals transportation services transaction</i>
PT Asuransi Jasa Indonesia (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Asuransi bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi serta kapal milik Perusahaan/ <i>Insurance services for Company's buildings, installation and power plant, transmission equipment and vessels</i>
Perum Jasa Tirta	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Sarana Multi Infrastruktur (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penerimaan utang dari lembaga keuangan pemerintah nonbank/ <i>Receipt of non-bank government financial institution</i>
PT Geo Dipa Energi (Persero)	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Tanjung Kasam Power	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Dalle Energy Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Mitra Energi Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Sumber Segara Primadaya	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Bajradaya Sentranusa	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Komipo Pembangkitan Jawa Bali	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik dan pemberian pinjaman jangka panjang/ <i>Purchase of electricity and issuance of long-term loan</i>
PT Bukit Pembangkit Innovative	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Shenhua Guohua Pembangkitan Jawa Bali	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Perta Daya Gas	Ventura bersama/ <i>Joint venture</i>	Pemberian pinjaman jangka panjang/ <i>Issuance of long-term loan</i>
Dana pensiun PLN	Program imbalan pascakerja/ <i>Post-employment benefit plan</i>	Pembayaran kontribusi program manfaat pasti/ <i>Payment of contribution for defined benefit plan</i>
PT Transportasi Gas Indonesia	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control Through the Government of the Republic of Indonesia</i>	Transaksi jasa penyaluran gas/ <i>Gas distribution services</i>
PT Wijaya Karya Industri Energi	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control Through the Government of the Republic of Indonesia</i>	Transaksi sewa mesin pembangkit/ <i>Lease power plant machinery</i>
PT Waskita Karya (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control Through the Government of the Republic of Indonesia</i>	Transaksi jasa konstruksi/ <i>Construction services</i>

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Saldo dan transaksi dengan pihak berelasi:

Balances and transactions with related parties:

	Catatan/ Notes	2017		2016		
		Rp	% *)	Rp	% *)	
Piutang pihak berelasi	9					Receivables from related parties
PT Perta Daya Gas		224,742	0.02%	260,085	0.02%	PT Perta Daya Gas
PT Komipo Pembangkitan Jawa a Bali		11,447	0.00%	16,747	0.00%	PT Komipo Pembangkitan Jawa Bali
PT Dalle Energy Batam		5,603	0.00%	9,632	0.00%	PT Dalle Energy Batam
PT Mitra Energi Batam		683	0.00%	683	0.00%	PT Mitra Energi Batam
PT Tanjung Kasam Pow er		--	0.00%	12,465	0.00%	PT Tanjung Kasam Power
Subjumlah		242,475	0.02%	299,612	0.02%	Subtotal
Rekening bank dan deposito berjangka dibatasi penggunaannya	10					Restricted cash in banks and time deposits
Bank Rakyat Indonesia		75,200	0.01%	--	0.00%	Bank Rakyat Indonesia
Bank Negara Indonesia		71,313	0.01%	1,269	0.00%	Bank Negara Indonesia
Bank Mandiri		57,909	0.00%	12,159	0.00%	Bank Mandiri
Subjumlah		204,422	0.02%	13,428	0.00%	Subtotal
Kas dan setara kas	12					Cash and cash equivalents
Bank Rakyat Indonesia		14,043,255	1.05%	13,864,019	1.09%	Bank Rakyat Indonesia
Bank Negara Indonesia		10,071,808	0.75%	10,669,987	0.84%	Bank Negara Indonesia
Bank Mandiri		8,516,490	0.64%	10,892,432	0.85%	Bank Mandiri
Bank Tabungan Negara		1,505,072	0.11%	1,003,076	0.08%	Bank Tabungan Negara
Bank DKI		836,833	0.06%	761,487	0.06%	Bank DKI
Subjumlah		34,973,458	2.61%	37,191,001	2.92%	Subtotal
Investasi jangka pendek	13					Short-term investment
Bank Rakyat Indonesia		260,000	0.02%	367,200	0.03%	Bank Rakyat Indonesia
Bank Mandiri		20,000	0.00%	--	0.00%	Bank Mandiri
Subjumlah		280,000	0.02%	367,200	0.03%	Subtotal
Piutang usaha	14					Trade accounts receivable
Badan Usaha Milik Negara		583,539	0.04%	568,123	0.04%	State-Owned Enterprises
Piutang subsidi listrik	15	7,588,977	0.57%	12,446,110	0.98%	Receivables on electricity subsidy
Jumlah		43,872,871	3.28%	50,885,474	3.99%	Total
Penerusan pinjaman	23	34,221,468	7.35%	31,696,088	8.05%	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-Bank	24	7,352,966	1.58%	8,301,603	2.11%	Government and non-bank Government financial institution loans
Utang sew a pembiayaan PT Wijaya Karya Industri Energi	25	239,805	0.05%	--	0.00%	Lease liabilities PT Wijaya Karya Industri Energi
Utang bank	26					Bank loans
Bank Rakyat Indonesia		34,569,917	7.43%	37,181,302	9.44%	Bank Rakyat Indonesia
Bank Negara Indonesia		21,872,337	4.70%	22,628,291	5.75%	Bank Negara Indonesia
Bank Mandiri		16,314,842	3.50%	12,234,270	3.11%	Bank Mandiri
Bank DKI		2,401,684	0.52%	3,006,321	0.76%	Bank DKI
Subjumlah		75,158,780	16.15%	75,050,184	19.06%	Subtotal
Utang pihak berelasi	29					Payable to related parties
PT Dalle Energy Batam		794	0.00%	2,301	0.00%	PT Dalle Energy Batam
Utang usaha	30					Trade accounts payable
PT Pertamina (Persero)		4,590,958	0.99%	4,109,919	1.04%	PT Pertamina (Persero)
PT Waskita Karya (Persero) Tbk		1,512,870	0.32%	--	0.00%	PT Waskita Karya (Persero) Tbk
PT Sumber Segara Primadaya		1,134,634	0.24%	624,837	0.16%	PT Sumber Segara Primadaya
PT Tambang Batubara Bukit Asam (Persero) Tbk		1,041,368	0.22%	651,321	0.17%	PT Tambang Batubara Bukit Asam (Persero) Tbk
PT Perusahaan Gas Negara (Persero) Tbk		690,978	0.15%	451,037	0.11%	PT Perusahaan Gas Negara (Persero) Tbk
PT Nusantara Regas		505,071	0.11%	678,945	0.17%	PT Nusantara Regas
PT Pertamina Geothermal Energy		286,137	0.06%	31,002	0.01%	PT Pertamina Geothermal Energy
PT Geo Dipa Energi		133,939	0.03%	58,165	0.01%	PT Geo Dipa Energi
PT Bajradaya Sentranusa		120,694	0.03%	61,743	0.02%	PT Bajradaya Sentranusa
PT Djakarta Lloyd (Persero)		11,836	0.00%	3,646	0.00%	PT Djakarta Lloyd (Persero)
PT Transportasi Gas Indonesia		11,732	0.00%	--	0.00%	PT Transportasi Gas Indonesia
Perum Jasa Tirta		11,638	0.00%	202,558	0.05%	Perum Jasa Tirta
PT Sucofindo (Persero)		11,515	0.00%	5,832	0.00%	PT Sucofindo (Persero)
PT Surveyor Indonesia (Persero)		2,755	0.00%	2,130	0.00%	PT Surveyor Indonesia (Persero)
PT Tanjung Kasam Pow er		--	0.00%	72,484	0.02%	PT Tanjung Kasam Power
PT Dalle Energy Batam		--	0.00%	49,830	0.01%	PT Dalle Energy Batam
PT Komipo Pembangkitan Jawa a Bali		--	0.00%	19,712	0.01%	PT Komipo Pembangkitan Jawa Bali
PT Mitra Energi Batam		--	0.00%	16,641	0.00%	PT Mitra Energi Batam
PT Wijaya Karya (Persero) Tbk		--	0.00%	11,393	0.00%	PT Wijaya Karya (Persero) Tbk
Lain-lain (masing - masing dibawah 5% dari jumlah utang usaha)		1,149,114	0.25%	721,498	0.18%	Others (each below 5% of total trade accounts payable)
Subjumlah		11,215,239	2.40%	7,772,693	1.96%	Subtotal

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		Rp	% *)	Rp	% *)	
Biaya masih harus dibayar	33					Accrued expenses
Penerusan pinjaman		275,160	0.06%	235,460	0.06%	Two-step loans
Utang bank						Bank loans
Bank Mandiri		170,595	0.04%	109,126	0.03%	Bank Mandiri
Bank Rakyat Indonesia		158,100	0.03%	193,422	0.05%	Bank Rakyat Indonesia
Bank Negara Indonesia		134,069	0.03%	140,797	0.04%	Bank Negara Indonesia
Bank DKI		2,747	0.00%	4,251	0.00%	Bank DKI
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank		15,081	0.00%	119,640	0.03%	Government and non-bank Government financial institution loans
Utang usaha pembelian BBM		--	0.00%	19,713	0.01%	Trade accounts payable on purchase of fuel
Subjumlah		755,752	0.16%	822,409	0.22%	Subtotal
Jumlah		128,944,804	27.69%	123,645,278	31.40%	Total
Penjualan tenaga listrik	36					Sale of electricity
Badan Usaha Milik Negara		5,487,610	2.23%	5,125,587	2.39%	State-Owned Enterprises
Subsidi listrik Pemerintah	37	45,738,215	100.00%	58,043,265	100.00%	Government's electricity subsidy
Beban bahan bakar dan pelumas	39					Fuel and lubricants expense
PT Pertamina (Persero)		19,129,336	16.36%	22,581,839	20.62%	PT Pertamina (Persero)
PT Nusantara Regas		8,151,615	6.97%	8,299,203	7.58%	PT Nusantara Regas
PT Perusahaan Gas Negara (Persero) Tbk		6,976,710	5.97%	7,347,673	6.71%	PT Perusahaan Gas Negara (Persero) Tbk
PT Tambang Batubara Bukit Asam (Persero) Tbk		5,044,782	4.31%	4,373,538	3.99%	PT Tambang Batubara Bukit Asam (Persero) Tbk
Jumlah		39,302,443	33.61%	42,602,253	38.90%	Total
Beban pembelian tenaga listrik	40					Purchased electricity expenses
PT Sumber Segara Primadaya		6,547,601	9.04%	3,281,618	5.49%	PT Sumber Segara Primadaya
PT Pertamina Geothermal Energy		2,076,654	2.87%	916,737	1.53%	PT Pertamina Geothermal Energy
PT Bajradaya Sentranusa		781,022	1.08%	775,713	1.30%	PT Bajradaya Sentranusa
PT Geo Dipa Energi		742,444	1.03%	589,986	0.99%	PT Geo Dipa Energi
PT Bukit Pembangkit Inovative		671,673	0.93%	444,259	0.74%	PT Bukit Pembangkit Inovative
PT Dalle Energy Batam		529,834	0.73%	545,847	0.91%	PT Dalle Energy Batam
Jumlah		11,349,228	15.68%	6,554,160	10.96%	Total
Beban pemeliharaan	42					Maintenance expenses
PT Komipo Pembangkitan Jawa a Bali		235,028	1.20%	216,560	1.02%	PT Komipo Pembangkitan Jawa Bali
Beban usaha lain-lain	44					Other operating expenses
Asuransi						Insurance
PT Asuransi Jasa Indonesia (Persero)		327,456	4.25%	270,828	3.72%	PT Asuransi Jasa Indonesia (Persero)
Lain - lain						Others
PT Sucofindo (Persero)		19,943	0.26%	37,587	0.52%	PT Sucofindo (Persero)
PT Surveyor Indonesia (Persero)		12,131	0.16%	6,195	0.09%	PT Surveyor Indonesia (Persero)
Jumlah		359,530	4.67%	314,610	4.33%	Total
Beban keuangan	45					Financial cost
Utang bank		5,545,937	29.89%	3,774,489	20.18%	Bank loans
Penerusan pinjaman		547,187	2.95%	633,599	3.39%	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank		514,091	2.77%	558,962	2.99%	Government and non-bank Government financial institution loans
Instrumen derivatif		62,552	0.34%	105,215	0.56%	Derivative instruments
Jumlah		6,669,767	35.95%	5,072,265	27.12%	Total

*) Persentase terhadap jumlah aset/ liabilitas/ pendapatan/ beban yang bersangkutan

*) Percentage to related total assets/ liabilities/ revenues/ expenses

Jumlah kompensasi Dewan Komisaris Perusahaan untuk tahun 2017 dan 2016 masing-masing sebesar Rp72.125 dan Rp48.654.

Total compensation of the Company's Board of Commissioners in 2017 and 2016 amounted to Rp72,125 and Rp48,654, respectively.

Jumlah kompensasi Direksi Perusahaan untuk tahun 2017 dan 2016 masing-masing sebesar Rp217.026 dan Rp116.170.

Total compensation of the Company's Directors in 2017 and 2016 amounted to Rp217,026 and Rp116,170, respectively.

Seluruh kompensasi kepada Dewan Komisaris dan Direksi Perusahaan merupakan imbalan kerja jangka pendek.

All the compensation to the Company's Board of Commissioners and Directors represent short-term employee benefits.

Informasi mengenai kontribusi yang dilakukan Perusahaan dan entitas anak ke DP-PLN diungkapkan di Catatan 49.

Information about the contributions made by the Company and its subsidiaries to DP-PLN is disclosed in Note 49.

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Sehubungan dengan fluktuasi kurs mata uang Rupiah terhadap mata uang asing, Perusahaan dan entitas anak mencatat rugi kurs mata uang asing bersih sebesar Rp2.935.144 untuk tahun 2017 dan laba kurs sebesar Rp4.195.210 untuk tahun 2016.

In relation to the fluctuation of the Rupiah against foreign currencies, the Company and its subsidiaries recorded net loss on foreign exchange amounting to Rp2,935,144 for 2017 and net gain amounting to Rp4,195,210 for 2016.

Apabila aset dan liabilitas dalam mata uang asing pada tanggal 31 Desember 2017 dijabarkan dengan menggunakan kurs penutupan mata uang asing pada tanggal 18 April 2018, maka liabilitas bersih dalam mata uang asing Perusahaan dan entitas anak akan mengalami peningkatan sebesar Rp5.022.007.

If assets and liabilities in foreign currencies as of December 31, 2017 had been translated using the closing rates at issuance of 18 April, 2018, the total net foreign currency liabilities of the Company and its subsidiaries would have been increased by Rp5,022,007.

53. Segmen Operasi

53. Operating Segment

Informasi Wilayah Geografis

Segmen operasi disusun sesuai dengan kebijakan akuntansi yang dianut dalam penyusunan dan penyajian laporan keuangan konsolidasian.

Geographical Information

The operating segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements.

Untuk tujuan pelaporan manajemen, pada tanggal 31 Desember 2017 dan 2016, Perusahaan dan entitas anak dibagi dalam operasi geografis Sumatera, Jawa-Bali, Kalimantan, Sulawesi dan Nusa Tenggara, dan Maluku Papua. Operasi geografis tersebut menjadi dasar pelaporan informasi segmen Perusahaan dan entitas anak, rinciannya adalah sebagai berikut:

For management reporting purposes, as of December 31, 2017 and 2016, the Company and its subsidiaries were divided into Sumatera, Java-Bali, Kalimantan, Sulawesi and Nusa Tenggara and Maluku Papua. These geographical operations are the basis on which the Company and its subsidiaries report segment information, with the following details:

	2017					Jumlah/ Total Rp	
	SUMATERA Rp	JAWA BALI & NUSA TENGGARA Rp	KALIMANTAN Rp	SULAWESI Rp	MALUKU & PAPUA Rp		
Pendapatan usaha							Revenue
Pendapatan external	27,604,617	218,159,043	4,216,594	4,191,350	1,123,639	255,295,243	External revenue
Hasil segmen	(7,870,096)	(3,353,886)	(3,136,306)	(2,899,086)	(2,021,163)	(19,280,537)	Segment results
Pendapatan tidak dapat dialokasikan, bersih						(898,314)	Unallocated income, net
Rugi usaha sebelum subsidi						(20,178,851)	Operating loss before subsidy
Penghasilan lain-lain tidak dapat dialokasikan						28,722,923	Unallocated other income
Manfaat pajak						(4,115,955)	Tax benefit
Laba tahun berjalan						4,428,117	Income for the year
Aset segmen	214,732,514	812,660,377	58,642,941	49,255,838	14,885,512	1,150,177,182	Segment assets
Aset tidak dapat dialokasikan						184,780,475	Unallocated assets
Jumlah aset konsolidasi						1,334,957,657	Total consolidated assets
Liabilitas segmen	203,390,278	104,331,499	57,936,833	48,561,391	16,076,395	430,296,396	Segment liabilities
Liabilitas tidak dapat dialokasikan						35,244,657	Unallocated liabilities
Jumlah liabilitas konsolidasi						465,541,053	Total consolidated liabilities

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	2016					Jumlah/ Total Rp	
	SUMATERA Rp	JAWA BALI Rp	KALIMANTAN Rp	SULNUSTRA Rp	MALUKU & PAPUA Rp		
Pendapatan usaha							Revenue
Pendapatan external	24,506,500	189,870,983	3,342,408	4,193,676	908,389	222,821,956	External revenue
Hasil segmen	(13,034,063)	(6,544,656)	(5,222,943)	(7,453,136)	(2,537,240)	(34,792,038)	Segment results
Pendapatan tidak dapat dialokasikan, bersih						3,164,192	Unallocated income, net
Rugi usaha sebelum subsidi						(31,627,846)	Operating loss before subsidy
Penghasilan lain-lain tidak dapat dialokasikan						45,206,072	Unallocated other income
Manfaat pajak						(5,427,843)	Tax benefit
Laba tahun berjalan						8,150,383	Income for the year
Aset segmen	189,480,713	759,353,266	54,801,915	55,405,116	11,578,530	1,070,365,052	Segment assets
Aset tidak dapat dialokasikan						201,812,923	Unallocated assets
Jumlah aset konsolidasi						1,272,177,975	Total consolidated assets
Liabilitas segmen	17,077,350	325,469,206	4,467,088	3,860,302	1,282,227	352,156,173	Segment liabilities
Liabilitas tidak dapat dialokasikan						41,622,345	Unallocated liabilities
Jumlah liabilitas konsolidasi						393,778,518	Total consolidated liabilities

54. Ikatan dan Kontinjensi

Pada tanggal 31 Desember 2017, Perusahaan dan entitas anak memiliki perikatan penting dan kontinjensi sebagai berikut:

a. Perjanjian pengadaan bahan bakar

i. Gas

Sektor/ Sector	Pemasok/ Supplier	Periode/ Period	Satuan/ Unit	Kuantitas/ Quantity ^{e)}
Cilegon	a)	2006-2018	bbtu	356,300
Cilegon	PT Perusahaan Gas Negara (Persero) Tbk	2009-2019	bbtu	101,400
Muara Karang - Priok	b)	2017-2022	bbtu	514,372
Muara Tawar	PT Perusahaan Gas Negara (Persero) Tbk	2017	bbtu	1,046
Muara Tawar, Payo	c)	2011-2019	bbtu	182,585
Selincih, Rengat, Duri				
Keramasan,	Medco E&P Lematang	2017-2027	bbtu	50,933
Inderalaya, Borang				
Gresik	Kangean Energy Indonesia Ltd ^{f)}	2012-2028	bbtu	368,700
Gresik	PT Pertamina Hulu Energy West Madura Offshore	2002-2018	bbtu	478,990
Gresik	PGN SAKA eks Hess Ltd	2006-2026	mmscf	440,000
Pekanbaru	EMP Bentu Ltd ^{g)}	2007-2021	bbtu	128,619
Keramasan	PT Pertamina EP	2010-2020	bbtu	27,375
Payo Selincih	PT Energasindo Heksa Karya	2009-2018	bbtu	104,002
Tanjung Batu	PT Pertamina (Persero), Semco (TAC)	2005-2017	bbtu	247,967
Tarakan	PT Pertamina EP	2012-2017	bbtu	3,359
Bontang	Total E and P Indonesia, INPEX Co	2009-2017	bbtu	681
Batam	PT Perusahaan Gas Negara (Persero) Tbk	2004-2019	bbtu	72,270
Tanjung Priok	PT Perusahaan Gas Negara (Persero) Tbk	2012-2017	bbtu	21,870
Grati	d) Lapangan Oyong	2009-2017	bbtu	116,070
Talang Duku	PT Perusahaan Gas Negara (Persero) Tbk	2009-2019	bbtu	21,000
Sungai Gelam	PT Pertamina EP	2011-2012	mmscf	8,434
Bangkalanai	Ophir Indonesia (Bangkalanai) Ltd ^{h)}	2013-2032	bbtu	130,000
Sengkang	Energy Equity Epic (Sengkang) Pty Ltd	2012-2022	bbtu	51,945
Muara Tawar	PT Pertamina EP	2010-2017	bbtu	61,281
Tambak Lorok	PT Sumber Petrindo Perkasa	2011-2022	bbtu	219,000
Grati	d) Lapangan Wortel	2012-2018	bbtu	55,827
Batam	Premier Oil Natuna Sea B.V.; Natuna 1 B.V.; Natuna 2 B.V.; Kufpec Indonesia (Natuna) B.V.	2011-2022	bbtu	280,100

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Grati	PT Sampang Mandiri Perkasa	2012-2019	bbtu	31,793
Grati	PT Pasuruan Migas	2012-2019	bbtu	5,911
Jakabaring (CNG)	PDPDE Prov Sumatera Selatan	2013-2020	bbtu	8,340
Tambak Lorok	PC Muriah Ltd	2014-2026	bbtu	354,780
Melibur	Kondur Petroleum SA	2012-2020	bbtu	831
Nunukan	Pertamina EP	2012-2018	mmscf	4,200
Sungai Gelam	Pertamina EP	2012-2017	mmscf	3,500
Sanga Sanga (CBM)	Virginia Indonesia Co. CBM Limited	2012-2019	mmscf	366
Muara Karang - Priok (LNG)	PT Nusantara Regas	2012-2022	Juta Ton	11
Tanjung Selor	Perusda Nusa Serambi Persada	2013-2024	bbtu	11,550
Bunyu Kaltim	Pertamina EP	2012-2017	mmscf	609
Gresik	Santos (Madura Offshore) Pty Ltd.; PC Madura Ltd dan PT Petrogas Pantai Madura	2013-2017	bbtu	33,362
Gresik	PT Surya Cipta Internusa	2015-2016	bbtu	3,580
Sumatera	PDPDE Prov Sumatera Selatan	2013-2019	bbtu	9,250
Tarakan	But. Manhattan Kalimantan Investment Pte.Ltd	2012-2018	bbtu	10,500
Batam	Inti Daya Latu Prima	2012-2019	bbtu	11,685
Gresik	Petrogas Jatim Utama	2013-2017	mmscf	39,898
Belawan, Muara Karang, Priok (LNG)	Tangguh PSC Contract Parties	2016-2034	kargo	688
Rawa Minyak Riau	Petroselat Ltd.	2015-2020	bbtu	7,802
Tana Tidung	PT Pertamina Hulu Energi Simenggaris dan PT Medco E&P Simenggaris	2015-2020	mmscf	805
New Tarahan	PT Perusahaan Gas Negara (Persero) Tbk	2015-2017	bbtu	3,030
Bali	PT Pertamina (Persero); Total E and P Indonesia; INPEX.CO	2016-2017	kargo	± 7
Sutami	PT Perusahaan Gas Negara (Persero) Tbk	2016-2018	bbtu	2,825
Sumatera	ConocoPhillips (Grissik) Ltd.	2016-2017	bbtu	14,600
a)	CNOOC SES Ltd.; PT Pertamina Hulu Energi OSES; KNOC Sumatra Ltd.; Salamander Energy Sumatra B.V.; Fortuna Resources (Sunda) Ltd.; Talisman Uk (Southeast Sumatra) Ltd.; Talisman Resources (Bahamas) Ltd.			
b)	PT Pertamina Hulu Energi ONWJ; Itochu Oil Exploration Co.Ltd.; Orchard Energy Java BV; Inpex Jawa Ltd.; CNOOC ONWJ Ltd. dan Talisman Resources (North West Java) Ltd.			
c)	Pt Pertamina Hulu Energi Jambi Merang; Talisman (Jambi Merang) Ltd. Dan Pacific Oil & Gas (Jambi Merang) Ltd.			
d)	Santos (Sampang) Pty Ltd., Singapore Petroleum Sampang Ltd. (formerly Coastal Indonesia Sampang Ltd.) and Cue Sampang Pty Ltd.			
e)	Dalam jumlah penuh/ In full amount			
f)	Berganti nama dari/ Change name from PT EMP Kangean Ltd.			
g)	Berganti nama dari/ Change name from Kalila Bentu Ltd.			
h)	Berganti nama dari/ Change name from Salamander Energy (Bangkanai) Ltd.			

Sehubungan dengan perjanjian diatas,
Perusahaan mempunyai fasilitas stand-
by letter of credit dengan rincian
sebagai berikut:

*In relation with the above agreement,
the Company has facilities stand-by
letter of credit with the following details:*

Bank Penerbit/ Issuing Bank	Penerima Manfaat/ Beneficiary	Mata Uang/ Currency	Jumlah *) Total
BRI	PT Perusahaan Gas Negara (Persero)	IDR	61,864,782,723
		US\$	21,999,600
	Santos (Sampang) Pty. Ltd	US\$	37,809,153
	Kangean Energy Ind	US\$	15,628,478
	Petrochina Int. Jabung	US\$	953,120
	Petrochina Int. Jabung	US\$	4,270,000

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Bank Penerbit/ Issuing Bank	Penerima Manfaat/ Beneficiary	Mata Uang/ Currency	Jumlah *) Total
Mandiri	PT Inpex Corporation	US\$	286,389
	Total E and P Indonesia	US\$	286,389
	BP Berau LTD. (On Behalf Of Tangguh)	US\$	33,112,770
	PT Pertamina Hulu Energi Jambi	US\$	4,210,000
	PT Pacific Oil and Gas (Jambi Merang) Limited	US\$	1,052,500
	Talisaman (Jambi Merang) Limited	US\$	1,052,500
	Nippon Oil Exploration (Berau) Limited	US\$	33,112,770
	PT Pertamina	US\$	10,218,460
	PT.Sumber Petrindo Perkasa	US\$	22,981,120
	PT Perusahaan Gas Negara (Persero)	IDR	1,558,617,226
		US\$	2,963,664
	PT Pelindo Energi Logistik	IDR	237,804,622,235
BNI	SESCO	US\$	44,461,534
	Conoco Philips	US\$	10,800,000
Bukopin	PT. Inti Daya Latu Prima	US\$	2,706,000

*) Dalam jumlah penuh/ *In full amount*
Harga pembelian gas pipa pada titik penyerahan berkisar antara US\$3,18 sampai dengan US\$10,53 per *Million British Thermal Units* ("MMBTU") dan *Liquid Natural Gas* ("LNG") antara US\$4,86 sampai dengan US\$6,81 per MMBTU.

Gas pipe purchase price at point of delivery ranges from US\$3.18 to US\$10.53 per Million British Thermal Units ("MMBTU") and the price of Liquid Natural Gas ("LNG") ranges from US\$4.86 to US\$6.81 per MMBTU.

ii. Batubara

ii. Coal

Pemasok/ Suppliers	Kuantitas metrik ton per tahun/ Quantity per year in metric ton *)	Periode/ Period
<i>Rutin/ Regular</i>		
PT Bukit Asam (Persero), Tbk	5,300,000	2013-2022
PT Adaro Indonesia	1,500,000	2014-2023
PT Kaltim Prima Coal	5,000,000	2007-2017
PT Kideco Jaya Agung	1,500,000	2009-2018
PT Berau Coal	2,500,000	2009-2018
PT Indominco Mandiri	2,100,000	2008-2018
PT Natuna Energi Indonesia	480,000	2006-2017
PT Oktasan Baruna Persada	660,000	2006-2017
PT Eksploitasi Energi Indonesia ¹⁾	480,000	2006-2018
PT Artha Daya Coalindo	600,000	2016-2017
PT Bara Energi Lestari	500,000	2017-2018
PT Allied Indo Coal	36,000	2017-2020
<i>Kerjasama konsorsium/ Consortium</i>		
PT Kasih Industri Indonesia dan PT Senamas Energindo Mulia	783,000	2009-2028
PT Arutmin Indonesia dan PT Darma Henwa	2,005,000	2008-2028

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Pemasok/ Suppliers	Kuantitas metrik ton per tahun/ Quantity per year in metric ton *)	Periode/ Period
PT Oktasan Baruna Persada and PT Insani Perkasa	540,000	2012-2017
PT Prima Multi Mineral and PT.Baratama	384,000	2012-2017
<i>Program Percepatan/ Fast Track Program</i>		
PT Bukit Asam (Persero), Tbk	6,600,000	2010-2030
PT Adaro Indonesia	4,500,000	2016-2020
PT Titan Infra Energy ²⁾	2,920,000	2011-2031
PT Hanson Energy	2,128,000	2009-2031
PT Lanna Harita Indonesia	300,000	2015-2020
PT Dwi Guna Laksana	1,890,000	2010-2032
PT Tunas Inti Abadi	600,000	2015-2020
PT Dizamatra Powerindo	500,000	2016-2020
PT Samantaka Batubara	500,000	2016-2021
<i>Kerjasama konsorsium/ Consortium</i>		
PT Arutmin Indonesia dan PT Darma Henwa	6,253,000	2009-2029
PT Multi Bara Persada dan PT Eksploitasi Energi Indonesia	1,179,104	2011-2020
PT Kasih Industri Indonesia dan PT Senamas Energindo Mulia	2,860,000	2010-2031
PT Golden Great Borneo, PT Oktasan Baruna Persada dan PT Buana Eltra	576,000	2011-2022
PT Risna Karya Whardana Mandiri dan Rizki Anugrah Pratama	974,000	2010-2018
PT Risna Karya Whardana Mandiri dan Rizki Anugrah Pratama	1,185,328	2011-2023
PT Oktasan Baruna Persada dan PT Buana Risky Armia	1,241,000	2010-2031
PT Energi Batubara Lestari dan PT Batara Batari Sinergy Nusantara	220,500	2013-2032

*) Dalam jumlah penuh/ In full amount

1) Berganti nama dari/ Changes name from PT Sentra Korporindo Internasional, Tbk

2) Berganti nama/ Changes name from PT Titan Mining Energy

Harga pembelian batubara berkisar antara Rp418.671 dan Rp1.209.739 per ton yang disesuaikan terhadap nilai kalori, kadar abu, sulfur, air, *Ash Fusion Temperature* ("AFT") dan *Hardgrove Grindability Index* ("HGI").

The price of coal purchases ranges from Rp418,671 to Rp1,209,739 per ton, which is adjusted against calorific value, ash content, sulphur, water, Ash Fusion Temperature ("AFT") and Hardgrove Grindability Index ("HGI").

PLN Batubara mengadakan Perjanjian Kerjasama Operasi Penambangan Batubara dengan beberapa pemasok sebagai berikut:

PLN Batubara entered into Coal Mining Operation Cooperation Agreement with suppliers as follows:

Pemasok/ Suppliers	Lokasi/ Locations	Kuantitas metrik ton/ Quantity in metric ton *)
PT Tansri Madjid Energi	Muara Enim, Sumatera Selatan/ South Sumatera	43,396,322
PT Megapura Prima Industri	Sorong, Papua Barat/ West Papua	14,800,000
PT Bima Putra Abadi Citranusa	Lahat, Sumatera Selatan/ South Sumatera	1,000,000
PT Awang Sejahtera	Parenggean, Kalimantan Tengah/ Central Kalimantan	693,680

*) Dalam jumlah penuh/ In full amount

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iii. Bahan Bakar Minyak

Perusahaan dan PT Pertamina (Persero) ("Pertamina") mengadakan Perjanjian Induk Jual Beli Bahan Bakar Minyak No. 071.PJ/060/DIR/2001 tanggal 8 Oktober 2001. Perjanjian ini telah di adendum tanggal 16 Mei 2007 dimana Perusahaan dan Pertamina menyepakati antara lain: (i) penggunaan harga bahan bakar bulanan ditetapkan oleh Pertamina untuk periode 1 Januari sampai dengan 30 April 2007 dan harga bahan bakar 109,5% dari *Mean Oil Platts Singapore* ("MOPS") ditambah Pajak Pertambahan Nilai untuk periode 1 Mei 2007 sampai dengan 31 Desember 2007; (ii) harga bahan bakar setelah tanggal 31 Desember 2007 akan ditetapkan oleh kedua belah pihak setiap tahun; (iii) jangka waktu pembayaran berikut pengenaan denda keterlambatan pembayaran sebesar tingkat bunga Sertifikat Bank Indonesia bulanan ditambah 1,3%; (iv) efektif mulai 1 Mei 2007, saldo utang yang belum dibayar atas pembelian bahan bakar sampai dengan 30 April 2007 dikenakan bunga sebesar tingkat bunga Sertifikat Bank Indonesia per tahun ditambah 1,3%, sampai diselesaikan dengan menerbitkan obligasi PLN selambat-lambatnya tanggal 31 Agustus 2007; (v) utang kepada Pertamina, termasuk obligasi yang akan diterbitkan maksimum sebesar Rp18 triliun; dan (vi) perjanjian ini berlaku untuk lima tahun sejak 1 Januari 2007 sampai dengan 31 Desember 2011.

Berdasarkan Surat Kesepakatan Bersama tanggal 16 Mei 2007, PT Sucofindo (Persero) ditunjuk sebagai *independent surveyor*.

Berdasarkan Addendum III Perjanjian Jual Beli Bahan Bakar Minyak tanggal 7 November 2011, Perusahaan dan Pertamina menyepakati dalam tahun 2011 sebagai berikut:

iii. Fuel

The Company and PT Pertamina (Persero) ("Pertamina") entered into a Fuel Sale and Purchase Agreement No. 071.PJ/060/DIR/2001 dated October 8, 2001. This agreement was amended on May 16, 2007, whereby, the Company and Pertamina agreed among other things: (i) the monthly fuel price to be used for the period January 1 until April 30, 2007 is determined by Pertamina and the fuel price of 109.5% from Mean Oil Platts Singapore ("MOPS") plus Value Added Tax for the period May 1, 2007 until December 31, 2007; (ii) that the fuel price subsequent to December 31, 2007 will be determined by both parties every year; (iii) the terms of payment and penalty charges on late payment is using a monthly rate of Certificate of Bank Indonesia plus 1.3%; (iv) effective on May 1, 2007, the unpaid balance of payable for the purchases of fuel until April 30, 2007 will bear interest with a rate per annum of Certificate of Bank Indonesia plus 1.3%, until settled by issuance of PLN bonds, which is no later than August 31, 2007; (v) the maximum payable to Pertamina, includes bonds which will be issued amounting to Rp18 trillion; and (vi) this agreement is valid for five years from January 1, 2007 until December 31, 2011.

Based on the Joint Deal Letter dated May 16, 2007, PT Sucofindo (Persero) is assigned as an *independent surveyor*.

Based on Amendment III of the Fuel Sale and Purchase Agreement dated November 7, 2011, the Company and Pertamina agreed in 2011 on the following:

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1. *High Speed Diesel* ("HSD")
 - Harga pembelian HSD sampai dengan 2.537.161 kiloliter (kl) di 18 titik penyerahan Pertamina adalah 105% dari MOPS.
 - Harga pembelian HSD sampai dengan 480.487 kl di titik penyerahan Pertamina Terminal Transit Manggis adalah 108% dari MOPS.
 - Harga pembelian HSD sampai dengan 2.978.360 kl di titik penyerahan di Instalasi Tanjung Priok dan Instalasi Surabaya Group adalah 108,5% dari MOPS.
 - Harga pembelian HSD diatas 5.996.008 kl atau yang diserahkan diluar 21 titik penyerahan yang ditetapkan Pertamina adalah 109,5% dari MOPS.
2. Harga pembelian *Industrial Diesel Oil* ("IDO") sampai dengan 3.933 kl di titik penyerahan di Kilang Plaju adalah 105% dari MOPS dan pembelian diatas 3.933 kl atau yang diserahkan diluar titik penyerahan Kilang Plaju adalah 109,5% dari MOPS.
3. Harga pembelian *Marine Fuel Oil* ("MFO") sampai dengan 1.193.166 kl di titik penyerahan di Kilang Cilacap adalah 105% dari MOPS dan pembelian diatas 1.193.166 kl atau yang diserahkan diluar titik penyerahan di Kilang Cilacap adalah 109,5% dari MOPS.

Tahun 2013, Perusahaan dan Pertamina sepakat untuk menggunakan harga tahun 2011, karena amandemen Perjanjian Jual Beli Bahan Bakar Minyak belum diselesaikan.

Berdasarkan surat Menteri Keuangan Republik Indonesia No. S-74/MK.02/2015 kepada Menteri ESDM mengenai rekomendasi

1. *High Speed Diesel* ("HSD")
 - The price of HSD for the purchase of up to 2,537,161 kiloliters (kl) from 18 supply points of Pertamina is 105% from MOPS.
 - The price of HSD for the purchase of up to 480,487 kl from the point of delivery Pertamina Terminal Transit Manggis is 108% from MOPS.
 - The price of HSD for the purchase of up to 2,978,360 kl from the point of delivery at Instalasi Tanjung Priok and Instalasi Surabaya Group is 108.5% from MOPS.
 - The price of HSD in excess of 5,996,008 kl or supplied from the point of delivery other than the 21 delivery points specified by Pertamina is 109.5% from MOPS.
2. The price of *Industrial Diesel Oil* ("IDO") for purchases of up to 3,933 kl from the point of delivery at Kilang Plaju is 105% from MOPS and for purchases in excess of 3,933 kl or supplied from point of delivery other than the supply point Kilang Plaju is 109.5% from MOPS.
3. The price of *Marine Fuel Oil* ("MFO") for purchases of up to 1,193,166 kl from the point of delivery at Kilang Cilacap is 105% from MOPS and for purchases in excess of 1,193,166 kl or supplied from the point of delivery other than the supply point Kilang Cilacap is 109.5% from MOPS.

In 2013, the Company and Pertamina agreed to use the price of the year 2011, since the Fuel Sale Purchase Agreement amendment has not been completed yet.

Based on the Minister of Finance of the Republic of Indonesia's letter No. S 74/MK.02/2015 to Minister of ESDM regarding its recommendation

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penetapan harga jual beli HSD dan MFO antara Perusahaan dan Pertamina tahun 2014 tanggal 30 Januari 2015, pokok-pokok kesepakatan antara Pertamina dan Perusahaan antara lain:

- a. Harga jual tahun 2014 menggunakan harga berdasarkan evaluasi Badan Pengawas Keuangan dan Pembangunan sebesar HSD: MOPS + 9,19% dan MFO: MOPS + 11,94%;
- b. Dalam rangka efisiensi biaya pembelian di tahun 2015, Perusahaan diperkenankan untuk mencari sumber Bahan Bakar Minyak ("BBM") selain Pertamina, dengan tetap menjaga keamanan pasokan BBM.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2014 berdasarkan harga tersebut.

Dalam rangka penyelesaian harga jual Bahan Bakar Minyak (HSD dan MFO) Pertamina kepada Perusahaan, telah dilakukan pembahasan harga jual beli bahan bakar minyak (HSD dan MFO) antara Pertamina dan Perusahaan tahun 2015 di Kantor Kementerian BUMN, difasilitasi oleh Deputi Bidang Usaha Energi, Logistik, Kawasan dan Pariwisata Kementerian BUMN, untuk menentukan harga transaksi BBM di tahun 2015.

Berdasarkan Berita Acara Kesepakatan Harga Jual Beli Bahan Bakar Minyak (HSD dan MFO) antara Pertamina dan Perusahaan tanggal 9 Februari 2016 dengan hasil sebagai berikut:

- a. Harga transaksi HSD tahun 2015:
 - Januari sampai dengan September 2015 adalah 107% dari MOPS
 - Oktober sampai dengan Desember 2015 adalah 105% dari MOPS
- b. Harga transaksi MFO tahun 2015 adalah 109,5% dari MOPS.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2015 berdasarkan harga tersebut.

on the sale and purchase price of HSD and MFO between the Company and Pertamina for 2014 dated January 30, 2015, the terms of the agreement between Pertamina and the Company are:

- a. *The sales price for 2014 uses the price based on the review of the Board of Finance and Development Supervision as follows: for HSD: MOPS + 9.19% and for MFO: MOPS + 11.94%;*
- b. *For the efficiency of purchase cost in 2015, the Company is allowed to acquire from other sources of fuel than Pertamina, whilst maintaining security of fuel supply.*

The Company has recorded purchases of HSD and MFO for the year 2014 based on those prices.

In settlement of the fuel sales price of Pertamina's fuel (HSD and MFO) to the Company, discussions on selling price of fuel (HSD and MFO) has been conducted between Pertamina and the Company in 2015 in the Ministry of BUMN office, facilitated by a deputy in energy business logistics and tourism, to determine the selling price of fuel in 2015.

Based on the Sales and Purchase Price Agreement for Fuel (HSD and MFO) between Pertamina and the Company dated on February 9, 2016 the results are:

- a. *HSD transaction price for 2015:*
 - *January until September 2015 is 107% from MOPS*
 - *October until December 2015 is 105% from MOPS*
- b. *MFO transaction price for 2015 is 109.5% from MOPS.*

The Company has recorded purchases of HSD and MFO for the year 2015 based on those prices.

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Berdasarkan Addendum IV Perjanjian Jual Beli Bahan Bakar Minyak tanggal 16 Mei 2017, Pertamina dan Perusahaan menyepakati perpanjangan jangka waktu pasokan hingga tahun 2020.

Berdasarkan Addendum V, kesepakatan harga jual beli bahan bakar minyak (HSD dan MFO) antara Pertamina dan Perusahaan tanggal 17 Oktober 2017, adalah sebagai berikut:

- a. Harga transaksi HSD tahun 2017:
 - Januari sampai dengan Juni 2017 adalah 107% dari MOPS.
 - Juli sampai dengan Desember 2017 adalah 104,58% dari MOPS.
- b. Harga transaksi MFO tahun 2017:
 - Januari sampai dengan Juni 2017 adalah 109,5% dari MOPS.
 - Juli sampai dengan Desember 2017 adalah 109,1% dari MOPS.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2017 berdasarkan harga tersebut.

Sampai dengan tanggal laporan keuangan konsolidasian, manajemen sedang melakukan proses perpanjangan kontrak dan akan dituangkan pada Addendum VI PJB-BBM yang mencantumkan harga pembelian BBM tahun 2018 sampai dengan 2020.

Pada tanggal 31 Desember 2017 dan 2016, estimasi liabilitas bunga dan denda atas utang pembelian bahan bakar kepada Pertamina masing-masing Rp19.713 dan Rp19.713 yang dicatat sebagai biaya masih harus dibayar (Catatan 33).

Pada tanggal 3 September 2014, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Based on Amendment IV of the Fuel Sale and Purchase Agreement dated May 16, 2017, Pertamina and the Company agreed to extend the period of supply until 2020.

Based on Amendment V, sales and purchase price agreement for fuel (HSD and MFO) between Pertamina and the Company dated on October 17, 2017, the result are:

- a. *HSD transaction price for 2017:*
 - *January until June 2017 is 107% from MOPS.*
 - *July until December 2017 is 104.58% from MOPS.*
- b. *MFO transaction price for 2017:*
 - *January until June 2017 is 109.5% from MOPS.*
 - *July until December 2017 is 109.1% from MOPS.*

The Company has recorded purchase of HSD and MFO for the year 2017 based on those prices.

As of the consolidated financial statements date, the management is still in the process of the extension of the contract and will be written in Addendum VI PJB-BBM that stated the purchase price of fuel from 2018 to 2020.

As of December 31, 2017 and 2016, estimated liabilities on interest and penalties for payable on purchases of fuel from Pertamina amounted to Rp19,713 and Rp19,713, respectively, which are recorded as accrued expenses (Note 33).

On September 3, 2014, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

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Pada tanggal 23 Februari 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT AKR Corporindo, Tbk untuk Lokasi Pembangkit Listrik Sei Raya, Siantan, Sanggau (Menyurai dan Semboja), dan Ketapang (Sukaharja) sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

On February 23, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT AKR Corporindo, Tbk Power Plant Location in Sei Raya, Siantan, Sanggau (Menyurai and Semboja) and Ketapang (Sukaharja) for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

Pada tanggal 14 Juli 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

On July 14, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

Pada tanggal 26 Mei 2017, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Tanjung Batu sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

On May 26, 2017, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Tanjung Batu Power Plant for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

Pada tanggal 18 Agustus 2017, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Bangka Belitung sebanyak 120.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

On August 18, 2017, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Bangka Belitung Power Plant for 120,000 kl for three years or fulfillment of total volume, whichever is the first.

iv. Uap Panas Bumi

Pada tahun 2017, Perusahaan memiliki perjanjian dengan beberapa pemasok untuk pengadaan uap panas bumi sebagai berikut:

iv. Geothermal Steam

In 2017, the Company entered geothermal steam agreement with several suppliers, as follows:

Sektor/ Sector	Pemasok/ Supplier	Periode/ Period
Kamojang Unit 1, 2 & 3	PT Pertamina Geothermal Energy	2012-2040
Lahendong Unit 1	PT Pertamina Geothermal Energy	2002-2032
Lahendong Unit 2 & 3	PT Pertamina Geothermal Energy	2007-2039
Lahendong Unit 4	PT Pertamina Geothermal Energy	2011-2041
Ulubelu Unit 1 & 2	PT Pertamina Geothermal Energy	2012-2042
Hululais Unit 1 & 2	PT. Pertamina Geothermal Energy	30 tahun ¹⁾
Sungai Penuh Unit 1 & 2	PT Pertamina Geothermal Energy	30 tahun ¹⁾

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Sektor/ Sector	Pemasok/ Supplier	Periode/ Period
Kotamobagu Unit 1,2,3 & 4 Darajat Unit 1	PT Pertamina Geothermal Energy PT Pertamina, Star Energy Geothermal Darajat I Ltd. Texaco Darajat Ltd. PT Star Energy Geothermal Darajat II Ltd.	30 tahun ¹⁾ 1994-2030
Gunung Salak Unit 1,2 & 3	PT Pertamina, Unocal Geothermal of Indonesia Ltd. Star Energy Geothermal Salak Pratama Ltd.	1993-2040

*) Sejak/ Since Commercial of Date

**b. Perjanjian Jual Beli Tenaga Listrik dan
Kontrak Penjualan Energi**

Sebelum tahun 1997, Perusahaan mengadakan PPA dan ESC dengan IPP skala besar. Pada tahun 1999, Perusahaan telah melaksanakan renegotiasi terhadap PPA dan ESC melalui Kelompok Kerja Renegosiasi Kontrak Khusus PT PLN (Persero) dibawah arahan Pemerintah. Renegosiasi tersebut meliputi antara lain keseimbangan kondisi kontrak, kewajaran harga dan disparitas harga jual listrik IPP dan harga jual Perusahaan.

Dalam perjanjian dengan IPP tertentu, disepakati bahwa setiap saat selama perjanjian berlaku, Perusahaan dapat melaksanakan opsi untuk membeli hak penjual, milik, dan kepentingan atas proyek yang bersangkutan.

Pada tanggal 31 Desember 2017, perjanjian signifikan antara Perusahaan dan entitas anak dengan IPP adalah sebagai berikut:

i. Sudah Beroperasi

No.	Perusahaan/ Company	Proyek/ Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ¹⁾ (%)	Periode/ Period ²⁾	Tanggal operasi komersial/ Commercial operation date
1	PT Energi Sengkang	Sengkang, Sulawesi Selatan/ South Sulawesi	Gas	315	85	1998-2027	12 September 1998/ September, 12 1998
2	PT Cikarang Listrindo	Cikarang, Jawa Barat/ West Java	Gas	300	72	1996-2031	1 Desember 1998/ December, 1 1998
3	Pertamina, Chevron Darajat Ltd	Drajat, Jawa Barat/ West Java	Panas bumi/ Geothermal	117	95	2000-2030	1 Februari 2000/ February, 1 2000 1 Agustus 2007/ August, 1 2007
4	Star Energy Geothermal Ltd	Wayang Windu, Jawa Barat/ West Java	Panas bumi/ Geothermal	227	90	2000-2042	1 Juni 2000/ June, 1 2000
5	PT Palton Energy	Palton I, Jawa Timur/ East Java	Batubara/ Coal	1230	85	2001-2040	1 Juli 2000/ July, 1 2000
6	PT Jawa a Power	Palton II, Jawa Timur/ East Java	Batubara/ Coal	1220	83	2000-2030	1 November 2000/ November, 1 2000
7	Dayabumi Salak Pratama Ltd.	Salak, Jawa Barat/ West Java	Panas bumi/ Geothermal	165	90	2000-2030	1 Desember 2000/ December, 1 2000

**b. Power Purchase Agreements and
Energy Sales Contract**

Prior to 1997, the Company entered into PPA and ESC with large-scale IPPs. In 1999, the Company entered into renegotiation of the PPA and ESC through a Working Group on PT PLN (Persero) Special Contract Renegotiation under the direction of the Government. Such renegotiation includes, among other subjects, equalization in contract conditions, reasonableness of price and disparity of selling price between the IPP and the Company.

Based on the agreements with certain IPPs, the Company may exercise its option to purchase all of the IPP's rights, title and interest in the projects at any time during the contract period.

As of December 31, 2017 the significant agreements between the Company and its subsidiaries with IPPs are as follows:

i. In Operations

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No.	Perusahaan/ Company	Proyek/ Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ¹⁰ (%)	Periode/ Period ¹⁰	Tanggal operasi komersial/ Commercial operation date
8	PT Geo Dipa Energy	Dieng, Jawa Tengah/ Central Java	Panas bumi/ Geothermal	55	85	2002-2044	1 Oktober 2002/ October, 1 2002
9	PT Asrigta Prasarana	Palembang Timur, Sumatera Selatan/ South Sumatera	Gas	150	85	2004-2024	1 September 2004/ September, 1 2004
10	Perum Jasa Tirta	Purwakarta, Jawa Barat/ West Java	Tenaga Air/ Hydro	180	-	2012-2017	1 Agustus 2006/ August, 1 2006
11	PT Sumber Segara Primadaya	Ciacap, Jawa Tengah/ Central Java	Batubara/ Coal	562	80	2007-2037	1 Februari 2007/ February 1, 2007
12	PT Cipta Daya Nusantara	Mobuya, Sulawesi Utara/ North Sulawesi	Tenaga Air/ Hydro	3	80	2007-2027	31 Juli 2007/ July, 31 2007
13	PT Pusaka Jaya Palu Power	Palu, Sulawesi Tengah/ Central Sulawesi	Batubara/ Coal	27	80	2007-2032	1 November 2007/ November 1, 2007
14	PT Meppo Gen	Gunung Megang, Sumatera Selatan/ South Sumatera	Gas	110	80	2007-2027	10 November 2007/ November, 10 2007
15	PT Pertamina Geothermal Energy	Kamocjang Unit 4, Jawa Barat/ West Java	Panas bumi/ Geothermal	60	90	2008-2038	26 Januari 2008/ January, 26 2008
16	PT Dizamatra Powerindo	Sebanyak, Sumatera Utara/ North Sumatera	Panas bumi/ Geothermal	12	80	2008-2038	1 Agustus 2008/ August, 1 2008
17	PT Cahaya Fajar Kalimantan	Embakul 1 & 2, Kalimantan Timur/ East Borneo	Batubara/ Coal	45	83	2008-2040	20 Desember 2008/ December, 20 2008
18	PT Fajar Futura Energi Luwu	Rantebala, Luwu, Sulawesi Selatan/ South Sulawesi	Tenaga Air/ Hydro	2.4	-	2010-2035	1 Mei 2010/ May, 1 2010
19	PT Bajradaya Sentranusa	Asahan, Sumatera Utara/ North Sumatera	Tenaga Air/ Hydro	180	1.175 GWh/Th	2011-2040	18 Januari 2011/ January, 18 2011
20	PT Sulawesi Mini Hydro Power	Tangka, Sijai, Sulawesi Selatan/ South Sulawesi	Tenaga Air/ Hydro	10	-	2011-2036	1 Februari 2011/ February, 1 2011
21	PT Eksploitasi Energi Indonesia	Pangkalan Bun, Kalimantan Selatan/ South Borneo	Batubara/ Coal	11	80	2011-2036	14 Oktober 2011/ October, 14 2011
22	PT Paton Energy	Paton II, Jawa Timur/ East Java	Batubara/ Coal	815	85	2012-2042	18 Maret 2012/ March, 18 2012
23	PT Cirebon Electric Power	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	660	80	2012-2042	27 Juli 2012/ July, 27 2012
24	PT Bosowa Energi	Jeneponto, Sulawesi Selatan/ South Sulawesi	Batubara/ Coal	200	80	2012-2042	1 Agustus 2012/ August, 1 2012
25	PT Poso Energy	Poso, Sulawesi Tengah/ Central Sulawesi	Tenaga Air/ Hydro	195	845,52 GWh/Th	2012-2042	30 Desember 2012/ December, 30 2012
26	PT Bekasi Power	Bekasi, Jawa Barat/ West Java	Gas	118.8	80	2013-2033	5 Januari 2013/ January, 5 2013
27	PT GHEM Indonesia	Simpang Belerbing Muara Enim, Sumatera Selatan/ South Sumatera	Batubara/ Coal	227	80	2011-2041	27 Februari 2013/ February, 27 2013
28	PT Sepoeth Daya Prima	Lampung Tengah, Sumatera	Batubara/ Coal	12	80	2014-2024	2 Mei 2014/ May, 2 2014
29	PT Cahaya Fajar Kalimantan	Embakul Unit 3, Kalimantan Timur/ East Borneo	Batubara/ Coal	50	87	2014-2039	5 September 2014/ September, 5 2014
30	PT Tenaga Listrik Gorontalo	Molotabu, Gorontalo	Batubara/ Coal	21	80	2014-2039	13 September 2014/ September, 13 2014
31	PT Geo Dipa Energi	Patuha, Jawa Barat/ West Java	Panas bumi/ Geothermal	55	75	2014-2044	22 September 2014/ September, 22 2014
32	PT Kerta Negara Energi Perkasa	Senipah, Kalimantan Timur/ East Borneo	Gas	92	85	2015-2040	16 Maret 2015/ March, 16 2015
33	PT Bukit Pembangkit Innovative	Banjari Sari, Lahat, Sumatera Selatan/ South Sumatera	Batubara/ Coal	220	80	2015-2045	30 Juni 2015/ June, 30 2015
34	PT General Energy Bali	Celukan Bawang, Bali	Batubara/ Coal	380	85	2015-2045	18 Juni 2015/ June, 18 2015 27 Juni 2015/ June, 27 2015 31 Juli 2015/ July, 31 2015
35	PT Pertamina Geothermal Energy	Kamocjang Unit 5, Jawa Barat/ West Java	Panas bumi/ Geothermal	30	90	2015-2045	29 Juni 2015/ June, 29 2015
36	PT Harmoni Energy Indonesia	Buton, Sulawesi Tenggara/ Southeast Sulawesi	Batubara/ Coal	14	80	2015-2040	29 Oktober 2015/ October, 29 2015
37	PT Prianmanya Energi	Keban Agung, Lahat, Sumatera Selatan/ South Sumatera	Batubara/ Coal	240	80	2016-2046	1 Mei 2016/ May, 1 2016
38	PT Wampu Electric Power	Wampu, Sumatera Utara/ North Sumatera	Tenaga Air/ Hydro	45	315,36 GWh/Th	2016-2046	1 Mei 2016/ May, 1 2016
39	PT Sumber Segara Primadaya	Ciacap Ekspansi, Jawa Tengah/ Central Java	Batubara/ Coal	614	80	2016-2046	9 Juni 2016/ June, 9 2016
40	PT Pertamina Geothermal Energy	Uubelu Unit 3, Sumatera	Panas bumi/ Geothermal	55	90	2016-2046	26 Juli 2016/ July, 26 2016
41	PT Pusaka Jaya Palu Power	Tawaeli Ekspansi (Unit 4 & 5), Palu	Batubara/ Coal	30	80	2016-2041	7 September 2016/ September, 7 2016
42	PT Pertamina Geothermal Energy	Lahendong Unit 5, Sulawesi Utara/ North Sulawesi	Panas bumi/ Geothermal	20	90	2016-2046	15 September 2016/ September, 15 2016
43	PT Pertamina Geothermal Energy	Lahendong Unit 6, Sulawesi Utara/ North Sulawesi	Panas bumi/ Geothermal	20	90	2016-2046	9 Desember 2016/ December, 9 2016
44	PT DSSP Power Sumsel	Sumsel 5, Banyuwasin, Sumatera Selatan/ South Sumatera	Batubara/ Coal	300	80	2016-2041	20 Desember 2016/ December, 20 2016

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45	Sarulla Operation Ltd	Sibual Buañ, Sumatera Utara/ North Sumatera	Panas bumi/ Geothermal	110	90	2017-2047	18 Maret 2017/ March, 18 2017
46	PT Pertamina Geothermal Energy	Ukubelu Unit 4, Sumatera	Panas bumi/ Geothermal	55	90	2016-2046	25 Maret 2017/ March, 25 2017
47	PT Lestari Banten Energi	Banten, Jawa Barat/ West Java	Batubara/ Coal	625	80	2017-2042	28 Maret 2017/ March, 28 2017
48	PT Lombok Energy Dynamics	Sambelia, Lombok Timur, Nusa Tenggara Barat/ West Nusa Tenggara	Batubara/ Coal	50	80	2017-2042	10 April 2017/ April, 10, 2017
49	Sarulla Operation Ltd	Sibual Buañ Unit 2, Sumatera Utara/ North Sumatera	Panas bumi/ Geothermal	110	90	2017-2047	2 Oktober 2017/ October 2, 2017
50	PT Indo Mitra Power	Kawasan Industri Kabil, Pulau Batam/ Batam Island	Gas	17.4	80	2005-2017	11 September 2005/ September, 11 2005 1 April 2006/ April, 1 2006
51	PT Dalle Energy Batam	Panaran, Pulau Batam/ Batam Island	Gas	85.5	90	2005-2025	1 Desember 2005/ December, 1 2005
52	PT Mitra Energi Batam	Panaran, Pulau Batam/ Batam Island	Gas	55.5	84	2005-2034	29 Oktober 2004/ October, 29 2004
53	PT Mitra Energi Batam	Panaran, Pulau Batam/ Batam Island	Gas	26.6	-	2014-2034	1 September 2014/ September, 1 2014
54	Tanjung Kasam Power	Tanjung Kasam, Pulau Batam/ Batam Island	Batubara/ Coal	110	85	2012-2042	25 Oktober 2012/ October, 25 2012 1 November 2012/ November, 1 2012
55	PT Energi Listrik Batam	Tanjung Ugang, Pulau Batam/ Batam Island	Gas	70	85	2016-2038	1 Mei 2016/ May, 1 2016
56	PT Humbahas Bumi Energi	Hutaja, Sumatera Utara/ North Sumatera	Tenaga air/ Hydro	5	65	2012-2037	10 Mei 2012/ May, 10 2012
57	PT Bakti Nugroho Yuda Energy	Baturaja, Sumatera Selatan/ South Sumatera	Batubara/ Coal	20	80	2014-2039	18 Januari 2014/ January, 18 2014
58	Joint Operation PT Wijaya Karya (Persero) Tbk PT Mirlindo Padu Kencana (Persero) Tbk	Pesanggaran, Bali	Diesel	50	85	2009-2017	1 Maret 2011/ March, 1 2011
59	Konsorsium PT Wijaya Karya PT Navigat Energy	Borang, Sumatera Selatan/ South Sumatera	Gas	60	80	2012-2019	29 Juni 2012/ June, 29 2012
60	Konsorsium PT Modaco Energy PT Elektrindo Perkasa Utama Pratt & Whitney Ps, INC Renewable Energy Poweer International	Payo Selincah, Jambi	Gas	94	60	2012-2019	8 Juni 2012/ June, 8 2012
61	Konsorsium PT PP PT Bangun Energy Resources PT Navigat Energy PT SNC Lavalin TPS General Electric	Talang Duku, Jambi	Gas	57	60	2013-2019	11 Januari 2007/ January, 11 2007
Jumlah/ Total				10.996			

Selain dari perjanjian jual beli tenaga listrik di atas, Perusahaan dan entitas anak juga memiliki beberapa perjanjian sewa yang termasuk dalam kategori sewa operasi.

In addition to the above power purchase agreements, the Company and its subsidiaries also entered into rental agreements that falls into the category of operating leases.

ii. Belum Beroperasi (Dalam Tahap Pengembangan)

ii. Not Yet in Operation (Development Stage)

No.	Perusahaan/ Company	Proyek/ Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^(b) (%)	Periode/ Period ^(b)	Status
1	PT Shenhua Guohua Pembangkitan Jawa a Bali	Serang, Banten	Batubara/ Coal	2,000	86	2021-2046	Tahap Pembangunan/ Construction Stage
2	PT Bhumi Jati Power	Jepara, Jawa Tengah/ Central Java	Batubara/ Coal	2,000	86	2019-2044	Tahap Pembangunan/ Construction Stage
3	PT Indo Raya Tenaga	Surabaya, Banten	Batubara/ Coal	2,000	80	2022-2047	Tahap Pembiayaan/ Financing Stage
4	PT Bimasena Power Indonesia	Batang, Jawa Tengah/ Central Java	Batubara/ Coal	1,900	86	2020-2050	Tahap Pembangunan/ Construction Stage
5	PT Jawa Satu Power	Karawang, Jawa Barat / West Java	Gas	1,760	60	2022-2047	Tahap Pembiayaan/ Financing Stage
6	PT Tanjung Jati Power Company	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	1,320	80	2019-2049	Tahap Pembiayaan/ Financing Stage
7	PT Huadun Bukit Asam Power	Sumatera Selatan/ South Sumatera	Batubara/ Coal	1,200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
8	PT Sumber Segara Ptmedaya	Cilacap, Jawa Tengah/ Central Java	Batubara/ Coal	1,000	86	2018-2048	Tahap Pembangunan/ Construction Stage
9	PT Cirebon Energi Prasarana	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	1,000	86	2019-2044	Tahap Pembiayaan/ Financing Stage
10	PT Shenhua Guohua Lion Power Indonesia	Sumatera Selatan/ South Sumatera	Batubara/ Coal	600	80	2020-2050	Tahap Pembiayaan/ Financing Stage
11	Kons PT Gama Energi Negeri – PT PJB Investasi	Sumatera Utara/ North Sumatera	Batubara/ Coal	600	80	2022-2047	Tahap Pembiayaan/ Financing Stage
				<i>Th 1-20 (85%), selanjutnya take and pay</i>			
12	Konsorsium PT Pembangkitan Jawa a Bali Investasi – China Huadun Engineering Co.Ltd - Blackgold Natural Resources Ltd	Riau	Batubara/ Coal	600	80	2023-2048	Tahap Pembiayaan/ Financing Stage
13	Kons. PT Putra Indotnaga – PLN Batubara	Jambi	Batubara/ Coal	600	80	2022-2047	Tahap Pembiayaan/ Financing Stage
14	PT Poso Energy	PLTA Poso	Tenaga Air/ Hydro	515	-	-	PPA

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15	PT North Sumatra Hydro Energy	PLTA Batang Toru	Tenaga Air/ Hydro	510	-	2016 - 2046	Tahap Pembiayaan/ Financing Stage
16	PT Meulaboh Power Generation	Aceh	Batubara/ Coal	400	80	2021-2046	Tahap Pembiayaan/ Financing Stage
17	Konsorsium PT Pembangunan Jawa a Bali Investasi – PLN Batubara	Sumatera Selatan/ South Sumatera	Batubara/ Coal	300	80	2021-2046	Tahap Pembiayaan/ Financing Stage
18	PT Bosowa Energi	Jeneponto, Sulawesi Selatan/ South Sulawesi	Batubara/ Coal	250	80	2018-2048	Tahap Pembangunan/ Construction Stage
19	PT Banyuasin Power Energi	Sumatera Selatan/ South Sumatera	Batubara/ Coal	250	80	2020-2050	Tahap Pembiayaan/ Financing Stage
20	PT Medco Ratch Power Riau	Pekanbaru, Riau	Gas	250	60	2021-2041	Tahap Pembiayaan/ Financing Stage
21	PT Sorik Marapi Geothermal Power	PLTP Sorik Marapi, Sumatera Utara/ North Sumatera	Panas Bumi/ Geothermal	240	90	2020-2050	PPA
22	PT Pertamina Geothermal Energy	PLTP Lumut Balai, Sumatera Selatan/ South Sumatera	Panas Bumi/ Geothermal	220	90	2017-2047	Tahap Pembangunan/ Construction Stage
23	PT Supreme Energy Rajabasa	PLTP Rajabasa, Lampung	Panas Bumi/ Geothermal	220	90	2023-2053	Eksplorasi/ Exploration
24	PT Supreme Energy Muaralaboh	PLTP Muaralaboh, Sumatera Barat/ West Sumatera	Panas Bumi/ Geothermal	220	90	2017-2047	Eksplorasi/ Exploration
25	PT Supreme Energy Rantau Dedap	PLTP Rantau Dedap, Sumatera Selatan/ South Sumatera	Panas Bumi/ Geothermal	220	90	2019-2049	Eksplorasi/ Exploration
26	Star Energy Geothermal (Wayang Windu)	Wayang Windu #3,4, Jawa a Barat/ West Java	Panas Bumi/ Geothermal	220	85	2020-2050	Eksplorasi/ Exploration
27	PT Sejahtera Alam Energi	PLTP Baturaden, Jawa a Tengah/ Central Java	Panas Bumi/ Geothermal	220	90	2024-2054	PPA
28	PT SKS Listrik Kalimantan	Gunung Mas, Kalimantan Tengah/ Central Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
29	PT Tanjung Power Indonesia	Kalimantan Selatan/ South Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
30	PT Graha Power Kalimantan	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
31	PT Indonesia Energi Dinamika (INDOENKA)	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2020-2045	Tahap Pembangunan/ Construction Stage
32	PT Tenaga Listrik Bengkulu	Bengkulu	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
33	PT GCL Indo Tenaga	Kalimantan Barat/ West Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
34	Konsorsium PT Putra Indotenaga – PLN Batubara	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
35	Konsorsium PT Putra Indotenaga – PLN Batubara	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
36	Konsorsium PT Putra Indotenaga – PLN Batubara	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
37	Konsorsium PT Putra Indotenaga – PLN Batubara	Kalimantan Barat/ West Borneo	Batubara/ Coal	200	80	2021-2046	Tahap Pembiayaan/ Financing Stage
38	Konsorsium PT Pembangunan Jawa a Bali Investasi – PT PLN Batubara	Kalimantan Selatan dan Tengah/ South and Central Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
39	Konsorsium PT Pembangunan Jawa a Bali Investasi – PT PLN Batubara	Kalimantan Selatan dan Tengah/ South and Central Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
40	Konsorsium PT Pembangunan Jawa a Bali Investasi – PT PLN Batubara	Kalimantan Selatan dan Tengah/ South and Central Borneo	Batubara/ Coal	200	80	2022-2047	Tahap Pembiayaan/ Financing Stage
41	PT Bakrie Dermakarya Energi	PLTP Telega Ngebel, Jawa a Timur/ East Java	Panas Bumi/ Geothermal	165	90	2023-2053	PPA
42	PT Geo Dipa Energi	Dieng #2,3 Jawa a Tengah/ Central Java	Panas Bumi/ Geothermal	115	85	2021-2051	Tahap Pembiayaan/ Financing Stage
43	PT Medco Cahaya Geothermal	PLTP Ijen, Jawa a Timur/ East Java	Panas Bumi/ Geothermal	110	85	2021-2051	Eksplorasi/ Exploration
44	PT Sintesa Banten Geothermal	PLTP Raw a Dano, Banten	Panas Bumi/ Geothermal	110	90	2022-2052	PPA
45	PT Pertamina Geothermal Energy	PLTP Hululis	Panas Bumi/ Geothermal	110	85	-	Eksplorasi/ Exploration
46	PT Pertamina Geothermal Energy	PLTP Sungai Penuh	Panas Bumi/ Geothermal	110	85	-	Eksplorasi/ Exploration
47	PT DSS Power Kendari	Konawe Selatan, Sulawesi Tenggara/ Southeast Sulawesi	Batubara/ Coal	100	80	2019-2044	Tahap Pembangunan/ Construction Stage
48	PT Gorontalo Listrik Perdana	Gorontalo	Batubara/ Coal	100	80	2020-2045	Tahap Pembangunan/ Construction Stage
49	PT Muntok Listrik Utama	Bangka Belitung	Gas	100	85% (Y-1) 60% (Y-2-end)	2019-2039	Tahap Pembiayaan/ Financing Stage
50	PT Mhahasa Cahaya Lestari	Sulawesi Utara/ North Sulawesi	Batubara/ Coal	100	80	2021-2046	Tahap Pembiayaan/ Financing Stage
51	PT Pembangunan Jawa a Bali	Aceh	Gas	100	80	2019-2039	Tahap Pembiayaan/ Financing Stage
52	PT Malesa Energy	PLTA Malesa	Tenaga Air/ Hydro	90	80	30	Tahap Pembangunan/ Construction Stage
53	PT Pertamina Geothermal Energy	PLTP Kotamobagu	Panas Bumi/ Geothermal	80	90	-	Eksplorasi/ Exploration
54	PT LUC Sidrap Bayu Energi	PLTBayu Sidrap, Sulawesi Selatan/ South Sulawesi	Angin/ Wind	70	-	2019-2049	Tahap Pembiayaan/ Financing Stage
55	PT Energy Bayu Jeneponto	PLTBayu Tolo Jeneponto, Sulawesi Selatan/ South Sulawesi	Angin/ Wind	60	-	20	Tahap Pembiayaan/ Financing Stage
56	PT Pembangunan Jawa a Bali	Sulawesi Tengah/ Central Sulawesi	Gas	60	80	2018-2038	Tahap Pembiayaan/ Financing Stage
57	PT Tanggamus Electric Power	PLTA Semangka	Tenaga Air/ Hydro	56	57	2019-2049	Tahap Pembangunan/ Construction Stage
58	PT Spring Energy Sentosa	PLTP Gucci, Jawa a Tengah/ Central Java	Panas Bumi/ Geothermal	55	90	2024-2054	PPA
59	PT Ido Ridatama Power	Kutai Kartanegara, Kalimantan Timur/ East Borneo	Batubara/ Coal	55	80	2017-2047	Tahap Pembangunan/ Construction Stage
60	PT Jabar Rekind Geothermal	PLTP Cisulok Cisukarame, Jawa a Barat/ West Java	Panas Bumi/ Geothermal	45	90	2025-2055	PPA
61	PT Rekind Daya Mamuju	Mamuju, Sulawesi Barat/ West Sulawesi	Batubara/ Coal	50	80	2017-2042	Tahap Pembangunan/ Construction Stage
62	PT Pembangunan Jawa a Bali Lainnya/ Others ³⁾	Aceh	Gas	50	80	2018-2038	Tahap Pembiayaan/ Financing Stage
Jumlah/ Total				1,150			
				26,261			

- a) Perjanjian berlaku sejak ditandatangani, dan jual beli tenaga listrik berlaku antara 20 sampai dengan 30 tahun sejak tanggal operasi komersial.
- b) AF= Faktor pemasokan tenaga yang harus diserap Perusahaan.
- c) Meliputi kontrak dengan 152 IPP, terdiri dari 37 IPP dalam tahap pembangunan dan 43 IPP dalam tahap pembiayaan, dan 72 Power Purchase Agreement berlokasi di berbagai daerah di Indonesia, menggunakan bahan bakar batu bara, panas bumi dan mini hydro dengan kapasitas masing-masing pembangkit kurang dari 50 MW.

- a) The agreements are effective from the date of signing and buying and selling of electricity is valid between 20 to 30 years starting from the commercial operation date.
- b) AF= Power supply factor which should be absorbed by the Company.
- c) Represents contracts with 152 IPPs, consisting of 37 IPPs under construction, 43 IPPs in the financing stage, and 72 Power Purchase Agreement which are located in several areas of Indonesia and are generated by coal, geothermal and mini hydro with each power plant's capacity of less than 50 MW.

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Harga tenaga listrik per kWh untuk pembangkitan bahan bakar gas, MFO dan batubara ditetapkan berdasarkan formula tertentu yang ditetapkan dalam perjanjian yang antara lain mengatur pemulihan biaya modal, pembayaran biaya tetap operasi dan pemeliharaan, biaya bahan bakar dan pembayaran biaya variabel operasi, dan biaya pemeliharaan. Untuk pembangkitan yang menggunakan panas bumi, harga tenaga listrik ditetapkan berdasarkan formula tertentu sebagaimana dinyatakan dalam perjanjian antara lain *Energy Charge* dan *Capacity Charge*.

The electricity power price per kWh for gas, MFO and coal power plants are determined by certain formulas as stated in the agreement which regulates, among other subjects, capital cost recovery, fixed operation and maintenance cost payment, fuel expense and variable operation and maintenance cost payment. For geothermal heat power plants, the electricity power price is determined by a certain formula as stated in the agreement, involving, among other things, *Energy Charge* and *Capacity Charge*.

c. Perolehan barang modal

Pada tanggal 31 Desember 2017, jumlah ikatan perolehan barang modal berdasarkan kontrak, terutama sehubungan dengan pengadaan pembangkitan, jaringan transmisi dan distribusi adalah sebagai berikut:

c. Capital expenditures

As of December 31, 2017, total commitments on capital expenditures based on contracts, which are related to procurement of power plants, transmissions and distributions are as follows:

	Mata uang/ Currencies	Jumlah dalam mata uang asing/ Amount in foreign currencies *)	Setara/ equivalent Rp	
Program percepatan				<i>Fast track program</i>
Kontrak pembangkitan	US\$	194.219.081	2.631.280	<i>Power plant contracts</i>
	Rupiah		1.041.430	
			<u>3.672.710</u>	
Kontrak transmisi	Rupiah		<u>30.148</u>	<i>Transmission contracts</i>
Kontrak konstruksi rutin	US\$	198.532.652	2.689.720	<i>Regular construction contracts</i>
	EUR	225.607.098	3.648.882	
	JPY	30.336.912.086	3.647.055	
	KRW	106.613.124.170	1.353.987	
	Rupiah		<u>37.612.096</u>	
			<u>48.951.740</u>	

*) Dalam jumlah penuh/ In full amount

Jumlah diatas adalah diluar dari nilai tersisa pembayaran dimuka yang sudah dibayarkan oleh Perusahaan dan entitas anak sesuai dengan masing-masing kontrak, yang nantinya akan mengurangi pembayaran di masa depan yang dilakukan oleh Perusahaan dan entitas anak.

The above amount excludes the remaining advance payments that has been paid by the Company and its subsidiaries in accordance with the respective contracts, which then will reduce future payments to be made by the Company and its subsidiaries.

Program Percepatan

Berdasarkan Peraturan Presiden Republik Indonesia No. 71 Tahun 2006 tanggal 5 Juli 2006 yang kemudian diubah melalui Peraturan Presiden Republik Indonesia No. 59 tanggal 23 Desember 2009, Pemerintah menugaskan Perusahaan

Fast Track Program

Based on the Presidential Regulation of the Republic of Indonesia No. 71 Year 2006 dated July 5, 2006 which was amended by the Presidential Regulation of the Republic of Indonesia No. 59 dated December 23, 2009, the Government mandates the

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untuk membangun PLTU berbahan bakar batubara di 42 lokasi di Indonesia, meliputi 10 pembangkit dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 32 pembangkit dengan jumlah kapasitas 2.769 MW di luar Jawa - Bali.

Company to build coal-fired PLTU at 42 locations in Indonesia, which include 10 power plants with aggregate capacity of 7,490 MW in Java - Bali and 32 power plants with aggregate capacity of 2,769 MW outside Java - Bali.

Kontrak Pembangkitan

Sampai dengan tanggal 31 Desember 2017, Perusahaan telah menandatangani 37 kontrak EPC meliputi 10 pembangkit tenaga listrik dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 27 pembangkit tenaga listrik dengan jumlah kapasitas 2.489 MW di luar Jawa - Bali. Berdasarkan kontrak EPC tersebut, Perusahaan diharuskan membayar uang muka sekitar 15% dari nilai kontrak dan 85% akan didanai melalui fasilitas kredit perbankan.

Power Plant Contracts

Until December 31, 2017, the Company signed 37 EPC contracts which consist of 10 electricity power plants with aggregate capacity of 7,490 MW in Java - Bali and 27 electricity power plants with aggregate capacity of 2,489 MW outside Java - Bali. Under the terms of such contracts, the Company is required to pay the contractor a down payment, which is approximately 15% of the contract price and the remaining 85% will be funded through credit facilities from banks.

Sampai dengan tanggal 31 Desember 2017, Perusahaan telah membayar uang muka sebesar US\$876.217.780 dan Rp4.790.016 untuk 35 kontrak EPC yang dicatat sebagai pekerjaan dalam pelaksanaan (Catatan 6). Uang muka tersebut didanai dari hasil penerbitan Obligasi Terjamin dan penarikan fasilitas kredit program percepatan.

Until December 31, 2017, the Company made a total down payment of US\$876,217,780 and Rp4,790,016 for 35 EPC contracts which is recorded as construction in progress (Note 6). Such down payments are funded by the proceeds of the issued Guaranteed Notes and withdrawal of credit facilities for the fast track program.

Kontrak Transmisi

Kontrak transmisi merupakan kontrak untuk peningkatan dan pembangunan transmisi baru dan gardu induk di Jawa dan luar Jawa. Proyek ini dibiayai melalui dana sendiri dan penarikan fasilitas kredit perbankan.

Transmission Contracts

Transmission contracts are contracts for upgrading and constructing new transmission and sub-stations in Java and outside Java. These projects are financed by the Company's own funds and withdrawal of credit facilities from banks.

Kontrak Konstruksi Rutin

Ikatan pengadaan barang modal untuk konstruksi rutin merupakan kontrak yang telah ditandatangani untuk tambahan pembangkit listrik dan pengembangan jaringan transmisi dan distribusi. Proyek ini dibiayai melalui dana sendiri dan pihak luar melalui pinjaman luar negeri, bantuan dan proyek investasi sebagai bagian dari anggaran belanja negara.

Regular Construction Contracts

Capital expenditure commitments for regular construction represent project contracts signed for additional electricity generating plants and development of the transmission and distribution network. These projects are financed by the Company's own funds and other external funding through offshore loans, grants and investment projects from the State budget.

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**d. Fasilitas pinjaman belum digunakan
Penerusan pinjaman**

**d. Unused loan facilities
Two-step loans**

Mata uang/ Currencies	Dalam mata uang asing/ In foreign currencies *)	Setara/ Equivalent Rp
US\$	1.918.323.877	25.989.452
EUR	50.914.891	823.478
JPY	99.418.578.000	11.951.942
Jumlah/ Total		38.764.872

*) Dalam jumlah penuh/ In full amounts

Pada tanggal 31 Desember 2017, fasilitas pinjaman belum digunakan setara Rp17.379.387 dikenakan provisi sebesar 0,10% - 0,40% per tahun, sedangkan fasilitas sebesar Rp21.385.485 tidak dikenakan provisi. Fasilitas ini berakhir antara tahun 2016 sampai dengan 2055.

As of December 31, 2017 the unused facilities equivalent to Rp17,379,387 bear a provision charge of 0.10% - 0.40% per annum, while the remaining facilities of Rp21,385,485 do not bear any provision charge. These facilities will be due between 2016 and 2055.

Perjanjian pinjaman program percepatan

Tujuan fasilitas pinjaman ini adalah untuk membiayai 85% dari nilai kontrak EPC untuk program percepatan. Jangka waktu pinjaman termasuk periode penyediaan kredit selama 36 bulan, dan sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Perpres No. 91 Tahun 2007 pengganti dari Perpres No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik Yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan diwajibkan memenuhi batasan-batasan umum.

Loan agreements for fast track program

The purpose of these loan facilities is to finance 85% of the contract price of EPC for the fast track program. The term of the loan includes preparation of credit for 36 months and is fully guaranteed by the Government of the Republic of Indonesia in accordance with Perpres No. 91 Year 2007, superseding Perpres No. 86 Year 2006, regarding Grant of Government Guarantee for Construction of Coal-Fired Power Plant. In connection with these loans, the Company is obliged to comply with general restrictions.

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, rincian fasilitas pinjaman untuk membiayai program percepatan adalah sebagai berikut:

As of the date of the issuance of the consolidated financial statements, details of loan facilities to finance the fast track program are as follows:

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility *)	Fasilitas pinjaman belum digunakan/ Unused loan facilities *)	Tingkat bunga per tahun/ Interest rate per annum	Tanggal perjanjian/ Date of agreement	Periode/ Period **) Tahun/ Year
<u>Fasilitas pinjaman dalam Rupiah/ Rupiah loan facilities</u>						
1	PT. Bank DKI/ PLTU Naganraya PLTU 2 Nusa Tenggara Timur/ East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/ West Nusa Tenggara PLTU Sumatera Barat/ West Sumatera PLTU 2 Kalimantan Barat/ West Kalimantan	4,732,000	551,916	1% + JIBOR 3 bulan/ 3 months	24 April 2009/ April 24, 2009	10

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	PLTU 4 Bangka Belitung PLTU Maluku Utara/ North Maluku PLTU Sulawesi Tengah/ Central Sulawesi PLTU 1 Nusa Tenggara Timur/ East Nusa Tenggara PLTU 2 Sulawesi Utara/ North Sulawesi PLTU Gorontalo PLTU 2 Nusa Tenggara Timur/ East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/ West Nusa Tenggara PLTU 4 Bangka Belitung PLTU 2 Nusa Tenggara Barat/ West Nusa Tenggara PLTU 1 Kalimantan Tengah/ Central Kalimantan					
2	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank DKI/ PLTU Riau Tenayan	2,225,000	116,400	1.50% + JIBOR 3 bulanan/ 3 months	12 November 2015/ November 12, 2015	10
3	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Kalimantan Timur/ East Kalimantan	2,449,963	72,298	1.20% + JIBOR 3 bulanan/ 3 months	17 Desember 2015/ December 17, 2015	10
		9,406,963	740,614			

*) Dalam jutaan/ In million

***) Termasuk masa tenggang/ Include grace period

Perjanjian pinjaman tidak terkait program
percepatan

Sampai dengan tanggal penerbitan laporan
keuangan konsolidasian, rincian fasilitas
pinjaman tidak terkait program percepatan
adalah sebagai berikut:

Loan agreements for non fast track
program

As of the date of the issuance of the
consolidated financial statements, details of
loan facilities non-related to the fast track
program are as follows:

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility *)	Fasilitas pinjaman belum digunakan/ Unused loan facilities *)	Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance premium *)	Tanggal perjanjian/ Date of agreement	Periode/ Period **) Tahun/ Year
<i>Fasilitas pinjaman dalam US\$/ USS loan facilities</i>							
1	Asian Development Bank Gardu induk/ Grid	575	289	0.6% - 0.1% + LIBOR 6 bulanan/ 6 months	--	4 Desember 2015/ December 4, 2015	20
2	Asian Development Bank Gardu induk/ Grid	25	13	1.4% + LIBOR 6 bulanan/ 6 months	--	4 Desember 2015/ December 4, 2015	20
3	Japan Bank for International Cooperation PLTU Lontar Extension Facility Tr.A	107	101	2.85% + 1.06%	--	14 Maret 2016/ March 14, 2016	15.5
4	Japan Bank for International Cooperation PLTU Lontar Extension Facility Tr.B	72	68	1.1% + LIBOR 6 bulanan/ 6 months	4.8	14 Maret 2016/ March 14, 2016	15.5
5	International Bank for Reconstruction and Development/ Power distribution development program	500	392	Reference Rate for Loan Curr + Var. Spread	--	20 Mei 2016/ May 20, 2016	20
6	The Export-Import Bank of Korea dan/ and ING Bank a Branch of ING-DiBa AG PLTGU Grati	36	36	2.35% + LIBOR 6 bulanan/ 6 months	--	24 Juni 2016/ June 24, 2016	14.5
7	The Export-Import Bank of Korea dan/ and ING Bank a Branch of ING-DiBa AG PLTGU Grati	35	35	0.98% + LIBOR 6 bulanan/ 6 months	2.3	24 Juni 2016/ June 24, 2016	14.5
8	ING Bank, a Branch of ING-DiBa AG PLTGU Grati	17	17	0.98% + LIBOR 6 bulanan/ 6 months	1.1	24 Juni 2016/ June 24, 2016	14.5
9	Japan Bank for International Cooperation PLTU Jawa a 2 Priok Facility Tr.A	27	23	3.52%	0.2	20 Oktober 2016/ October, 20 2016	15
10	Japan Bank for International Cooperation PLTU Jawa a 2 Priok Facility Tr.B	18	15	0.7% + LIBOR 6 bulanan/ 6 months	0.1	20 Oktober 2016/ October, 20 2016	15
11	Islamic Development Bank Power Grid Enhancement Project	330	330	1.30% + SWAP RATE LIBOR 6 bulanan/ 6 months	--	10 Januari 2017/ January 10, 2017	15
12	Japan Bank for International Cooperation Muara Karang	22	22	4.41%	--	10 Maret 2017/ March 10, 2017	15

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No.	Kredit dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility *)	Fasilitas pinjaman belum digunakan/ Unused loan facilities *)	Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance premium **)	Tanggal perjanjian/ Date of agreement	Periode/ Period **)
13	Japan Bank for International Cooperation Muara Karang	15	15	0.70% + LIBOR 6 bulanan/ 6 months	--	10 Maret 2017/ March 10, 2017	15
14	Sumitomo Mitsui Banking Corporation PLTA Jatigede	73	63	1.43% + LIBOR 6 bulanan/ 6 months	--	30 Maret 2017/ March 30, 2017	14
15	Japan Bank for International Cooperation PLTU Kalselteng 2 Facility Tr. A	53	53	4.28%	--	20 Juni 2017/ June 20, 2017	15
16	Japan Bank for International Cooperation PLTU Kalselteng 2 Facility Tr. B	36	36	0.8% + LIBOR 6 bulanan/ 6 months	--	20 Juni 2017/ June 20, 2017	15
17	Asian Development Bank Gardu Induk/ Grid	600	450	0.6% - 0.1% + LIBOR 6 bulanan/ 6 months	--	10 Oktober 2017/ October 10, 2017	20
18	Credit Agricole CIB Paris PLTGU Muara Tawar	280	280	0.98% + LIBOR 6 bulanan/ 6 months	6.2	8 November 2017/ November 8, 2017	15
	Jumlah dalam US\$/ Total in US\$	2,821	2,238		14.7		
Fasilitas pinjaman dalam EUR/ EUR loan facilities							
1	Agence Francaise De Development Trans GIS	100	96	Floating/ Fix max 5.89%	--	7 Mei 2015/ May 7, 2015	15
2	Agence Francaise De Development Trans Grid	1	1	0%	--	7 Mei 2015/ May 7, 2015	5
3	Kreditanstalt fur Wiederaufbau Suralaya rehabilitation	175	175	2.20%	--	8 Mei 2015/ May 8, 2015	12
4	Kreditanstalt fur Wiederaufbau Kamojang rehabilitation	65	65	2.20%	--	8 Mei 2015/ May 8, 2015	15
5	Kreditanstalt fur Wiederaufbau Kamojang rehabilitation	60	59	1.70%	--	8 Mei 2015/ May 8, 2015	15
6	Kreditanstalt fur Wiederaufbau Transmisi/ Transmission	45	45	1.65%	--	23 Mei 2016/ May 23, 2016	13
7	ING Bank, a Branch of ING-DiBa dan/ and Societe Generale PLTGU Grati	40	40	1.09% + biaya tambahan/ Mandatory cost	3.0	24 Juni 2016/ June 24, 2016	14.5
8	Mizuho Lombok Peaker	74	74	0.84%	--	24 Mei 2017/ May 24, 2017	12
9	Kreditanstalt fur Wiederaufbau Bangkalan Peaker	83	83	0.97% or EURIBOR + Margin	5.6	15 September 2017/ September 15, 2017	11.25
10	Kreditanstalt Fur Wiederaufbau Power Plant Kumbh	85	85	1.55%	--	15 Desember 2017/ December 15, 2017	15
	Jumlah dalam EUR/ Total in EUR	728	723		8.6		
Fasilitas pinjaman dalam JPY/ JPY loan facilities							
1	Japan Bank for International Cooperation PLTU Lontar	16,430	15,219	1.03% + 0.55%	441	24 Juni 2016/ June 24, 2016	15.5
2	Japan Bank for International Cooperation PLTU Jawa 2	31,763	26,961	1.58%	416	20 Oktober 2016/ October 20, 2016	15
3	Sumitomo Mitsui Banking Corporation Muara Karang	15,449	15,449	1.74%	--	10 Maret 2017/ March 10, 2017	15
4	Japan Bank for International Cooperation PLTU Kalselteng 2	16,939	16,939	1.73%	--	20 Juni 2017/ June 20, 2017	15
	Jumlah dalam JPY/ Total in JPY	80,581	74,568		857		
Fasilitas pinjaman dalam Rupiah/ Rupiah loan facilities							
1	PT Bank Rakyat Indonesia	28,000,000	15,042,678	2.45% + Rata-rata deposito berjangka 3 bulanan/ Average time deposit 3 months	--	17 November 2016/ November 17, 2016	1
	Jumlah dalam Rupiah/ Total in Rupiah	28,000,000	15,042,678		--		

*) Dalam jutaan/ In million
**) Termasuk masa tenggang/ Include grace period

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e. Program operasi dan pemeliharaan

Untuk meningkatkan dan memulihkan daya guna unit pembangkit sampai pada tingkat tertentu, Perusahaan menandatangani *Operation and Maintenance Agreement* dengan beberapa kontraktor. Nilai kontrak terdiri dari porsi tetap dan tidak tetap. Kontraktor diharuskan memenuhi target tertentu dan akan dikenakan denda jika target tersebut tidak tercapai. Komitmen dengan kontraktor untuk porsi tetap adalah sebagai berikut:

e. Operation and maintenance programs

In order to improve and restore the performance of generator units up to a certain level, the Company has entered into Operation and Maintenance Agreements with contractors. The contract payment comprises fixed and variable portions. The contractors have to meet certain targets and will be charged a penalty if these targets are not met. The commitments with the contractors for the fixed portion are as follows:

Pembangkitan/ <i>Power plant</i>	Kontraktor/ <i>Contractors</i>	Nilai kontrak Setara/ <i>Contract amount equivalent</i> Rp	Periode/ <i>Period</i>
PLTU Tanjung Jati B	PT Komipo Pembangkitan Jawa Bali	2,393,372	2010-2032
PLTU Tanjung Jati B	Konsorsium/ <i>consortium of</i> Fortum Service OY & PT Medco Energy	847,090	2005-2030
Jumlah/ Total		3,240,462	

f. Litigasi

(i) Gugatan Perbuatan Melawan Hukum yang diajukan oleh Pangemanan Nelwan dan kawan-kawan sebagai ahli waris dari Hendrik Meinder Nelwan pada tahun 2001 terhadap tanah yang telah dipergunakan Perusahaan sebagai PLTA Tonsealama sebesar Rp54.000 di Pengadilan Negeri Manado. Dalam proses berperkara, mulai dari Tingkat Pertama sampai dengan Tingkat Peninjauan Kembali di Mahkamah Agung RI Perusahaan kalah.

Pada saat akan dilakukan Eksekusi oleh PN Manado, Perusahaan melakukan Gugatan Perlawanan atas Eksekusi (*Derden Verzet*) terhadap tanah tersebut mengingat Perusahaan merupakan bezitter yang baik dengan menguasai tanah serta mengoperasikan PLTA Tonsealama selama lebih dari 50 tahun. Saat ini perkara *Derden Verzet* tersebut di tingkat Peninjauan Kembali telah diputus bahwa Perusahaan kalah.

f. Litigation

(i) *In 2001, Pangemanan Nelwan and co-claimants as heirs of Hendrik Meinder Nelwan filed claims for compensation over the land rights that has been utilized by the Company as hydroelectric power plant PLTA Tonsealama, amounting to Rp54,000 in the District Court of Manado. In the process of court trial from District Court to Review in the Supreme Court, the Company lost.*

*In the preparation of Execution by District Court of Manado, the Company filed a Third Resistance of the Execution (*Derden Verzet*) of the land rights considering the Company is a good bezitter that has been effectively controlling and operating PLTA Tonsealama for more than 50 years. The *Derden Verzet* is still in the process of Review in the Supreme Court of the Republic of Indonesia and the Company loss.*

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Perusahaan melaporkan perbuatan tindak pidana pemalsuan dokumen terhadap Hendrik Meinder Nelwan (Penggugat) atas dokumen yang digunakan sebagai alat bukti dalam perkara perdata. Saat ini laporan pidana tersebut telah diputus pada tingkat Kasasi dengan amar putusan Hendrik Meinder Nelwan terbukti secara sah dan meyakinkan melakukan tindak pidana menggunakan dokumen palsu dalam perkara perdata PLTA Tonsea Lama.

Atas putusan pidana tersebut, Ketua Pengadilan Negeri Manado mengeluarkan Penetapan yang menyampaikan eksekusi PLTA Tonsea Lama dapat dilaksanakan apabila putusan Kasasi pengadilan Pidana berkekuatan hukum tetap. Selanjutnya berdasarkan putusan kasasi pidana pemalsuan dokumen perkara PLTA Tonsealama, Perseroan sedang mempersiapkan upaya hukum Peninjauan Kembali yang kedua di Mahkamah Agung.

- (ii) Pada tanggal 21 Agustus 2014, Perusahaan menghadapi gugatan yang diajukan oleh Ny. Nesah binti Sadih sehubungan dengan sengketa tanah PLTGU Muara Tawar. Nilai gugatan sebesar Rp59.264. Perusahaan memenangkan perkara ini di tingkat Pengadilan Negeri Jakarta Selatan. Kemudian penggugat mengajukan banding. Saat ini perkara masih dalam proses kasasi di Mahkamah Agung dan Perusahaan telah mengajukan Kontra Memori Kasasi pada tanggal 06 Juni 2017.
- (iii) Pada tanggal 11 Januari 2016, Perusahaan menghadapi gugatan dari Netti Pardosi dan Pandapotan Kasmin Simanjuntak terkait pembebasan lahan yang dilakukan Perusahaan atas tanah seluas 6,2 Ha untuk pembangunan PLTA Asahan III. Penggugat menuntut agar pembebasan lahan tersebut dibatalkan. Nilai gugatan ini sebesar Rp54.548. Pengadilan Negeri Balige menerima gugatan Penggugat dengan

The Company has filed claims for criminal action regarding document forgery in the name of Hendrik Meinder Nelwan that were used as evidence materials against the Company for civil action. The Supreme Court of the Republic of Indonesia has ruled that Hendrik Meinder Nelwan is proven and reassured of doing a criminal action by using false documents in the civil case of PLTA Tonsealama.

Based on the criminal verdict, the Chief of the District Court of Manado has released a verdict stating that the execution of PLTA Tonsealama has to wait for the verdict from the Criminal Court. Furthermore, based on the final verdict of the Criminal Cassation of PLTA Tonsealama, the Company is preparing for a second Review in the Supreme Court.

- (ii) *On August 21, 2014, the Company faced an unlawful act from Ny. Nesah binti Sadih relating to disputes regarding PLTGU Muara Tawar land rights. The amount of the claim was Rp59,264. The Company won the case in the District Court of South Jakarta, Subsequently, the plaintiff submitted an appeal. Currently, the case is still in process in the Supreme Court and the Company has filed a Contra Cassation on June 6, 2017.*
- (iii) *On January 11, 2016, the Company faced a lawsuit from Netti Pardosi and Pandapotan Kasmin Simanjuntak regarding land rights acquisition by the Company on an area of 6.2 Ha that is used for construction of PLTA Asahan III. Plaintiffs demanded that the land rights acquisition to be cancelled. The lawsuit amounted to Rp54,458. District Court of Balige accepted the Plaintiffs' suit on September 6, 2016 and PLN*

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putusan tanggal 6 September 2016 dan PLN menyatakan banding pada tanggal 15 September 2016. Pengadilan Tinggi Sumatera Utara menolak permohonan banding Pembanding dan menguatkan Putusan Pengadilan Negeri dengan putusan tertanggal 7 Februari 2017. Atas Putusan Banding tersebut PLN menyatakan mengajukan kasasi pada tanggal 17 April 2017 dan saat ini masih dalam pemeriksaan Mahkamah Agung.

- (iv) Pada tanggal 20 September 2017 Perusahaan menghadapi gugatan Perbuatan Melawan Hukum yang diajukan oleh PT Putera Daya Perkasa di Pengadilan Negeri Jakarta Selatan terhadap aset PLN berupa Gardu Induk 150 KV yang terletak di Kawasan Industri Pasar Kemis. Penggugat menuntut ganti rugi sebesar Rp86.194. Saat ini perkara masih dalam tahap proses di Pengadilan Negeri Jakarta Selatan.
- (v) Perusahaan dan entitas anak juga menghadapi gugatan ganti rugi dalam jumlah yang tidak material di beberapa lokasi bangunan jaringan transmisi/ distribusi, perselisihan dengan karyawan, perkara dengan pelanggan dan pemasok. Manajemen berpendapat klaim-klaim tersebut tidak material dan tidak mempengaruhi kegiatan usaha Perusahaan.

Pada tanggal penyelesaian laporan keuangan konsolidasian, hasil litigasi-litigasi di atas belum dapat dipastikan dan estimasi andal tidak dapat ditentukan pada saat ini, atau Perusahaan memiliki dasar yang kuat dalam kasus ini karena keputusan pengadilan terakhir menguntungkan Perusahaan dan entitas anak, sehingga tidak ada provisi kerugian yang dibukukan dalam laporan keuangan konsolidasian ini.

filed an appeal on September 15, 2016. The High Court of North Sumatera denied the Company's appeal and strengthen the District Court verdict on February 7, 2017. On the appeal related to the decision, the Company submitted a Cassation on April 17, 2017 to the Supreme Court and still currently for supreme court examination.

- (iv) *On September 20, 2017, the Company faced a lawsuit filled by PT Putera Daya Perkasa in the District Court of South Jakarta against PLN assets in the form of Substations 150 KV which is located in Kemis Market. The plaintiff demanded compensation amounting to Rp86,194. The case is currently still on process in the District Court of South Jakarta.*
- (v) *The Company and its subsidiaries also face claims for compensation of losses, which are immaterial in amount, in several areas of the Company's transmission/ distribution facilities, disputes with the Company's employees and cases with customers and suppliers. Management believes that such claims are not material and will not significantly affect the Company's operations.*

As of the completion date of these consolidated financial statements, the results of the above litigations are either still uncertain and there are no reliable estimate that can be made at this point, or the Company has strong grounds supporting the case as the recent court decisions were in favor of the Company and subsidiaries, therefore no provision has been recorded in these consolidated financial statements.

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Seluruh liabilitas keuangan milik Perusahaan dan entitas anak diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dengan rincian sebagai berikut:

All of the Company and its subsidiaries' financial liabilities are classified as financial liabilities measure at amortized cost, details are as follows:

	2017 Rp	2016 Rp	
<u>Liabilitas keuangan yang diukur dengan biaya perolehan amortisasi</u>			<u>Amortised cost measured at financial liabilities</u>
<u>Liabilitas jangka panjang</u>			<u>Non-current liabilities</u>
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun			Long-term liabilities - net of current maturities
Penerusan pinjaman	31,485,476	29,133,756	Two-step loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah			Government and non-bank Government Financial
Non-bank	6,309,173	7,257,810	Institution loan
Utang sewa pembiayaan	15,713,269	17,933,075	Lease liabilities
Utang bank	116,017,364	100,362,498	Bank loan
Utang obligasi dan sukuk ijarah	100,440,360	68,824,683	Bonds payable and sukuk ijara
Utang listrik swasta	7,026,434	7,315,422	Electricity purchase payable
Utang KIK - EBA	2,907,986	--	KIK - EBA loans
Utang pihak berelasi	794	2,301	Payable to related parties
Utang lain-lain	940,154	155,781	Other payables
Jumlah liabilitas jangka panjang	<u>280,841,010</u>	<u>230,985,326</u>	Total non-current liabilities
<u>Liabilitas jangka pendek</u>			<u>Current liabilities</u>
Utang usaha	43,711,425	30,192,084	Trade payables
Uang jaminan langganan	12,642,333	12,049,554	Customers' security deposits
Utang biaya proyek	723,992	384,739	Project cost payable
Biaya yang masih harus dibayar	5,570,222	4,484,742	Accrued expenses
Utang jangka panjang jatuh tempo dalam satu tahun			Current maturities of long-term liabilities
Penerusan pinjaman	2,735,992	2,562,332	Two-step loans
Utang kepada Pemerintah			Government and non-bank
Lembaga Keuangan Pemerintah			Government Financial
Non-bank	1,043,793	1,043,793	Institution loan
Utang sewa pembiayaan	4,871,908	3,789,317	Lease liabilities
Utang bank	26,548,747	26,394,780	Bank loan
Utang obligasi dan sukuk ijarah	914,000	9,568,000	Bonds payable and sukuk ijara
Utang listrik swasta	349,968	328,683	Electricity purchase payable
Utang KIK - EBA	630,600	--	KIK - EBA loans
Utang lain-lain	18,339,768	15,716,446	Other payables
Jumlah liabilitas jangka pendek	<u>118,082,748</u>	<u>106,514,470</u>	Total financial liabilities
Jumlah liabilitas keuangan	<u>398,923,758</u>	<u>337,499,796</u>	Total financial liabilities

b. Manajemen risiko modal

Perusahaan dan entitas anak mengelola risiko modal untuk memastikan bahwa mereka akan mampu untuk melanjutkan kelangsungan usaha dan untuk memastikan pemenuhan batasan rasio kecukupan modal. Struktur modal Perusahaan dan entitas anak terdiri dari pinjaman (Catatan 23, 24, 25, 26, 27 dan 28) dan ekuitas pemegang saham induk, yang terdiri dari modal yang ditempatkan, saldo laba (Catatan 20), dan tambahan modal disetor (Catatan 21).

b. Capital risk management

The Company and its subsidiaries manage capital risk to ensure that they will be able to continue as a going concern and to ensure compliance with the covenants of the capital adequacy ratio. The Company and its subsidiaries' capital structure consists of debt (Notes 23, 24, 25, 26, 27 and 28) and equity shareholders of the holding that consists of capital stock, retained earnings (Note 20) and additional paid-in capital (Note 21).

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Dewan Direksi Perusahaan dan entitas anak secara berkala melakukan tinjauan struktur permodalan Perusahaan dan entitas anak. Sebagai bagian dari tinjauan ini, Dewan Direksi mempertimbangkan biaya permodalan dan risiko yang berhubungan.

Batasan pinjaman Perusahaan mensyaratkan antara lain pemenuhan rasio pinjaman terhadap ekuitas dan rasio kecukupan modal. Manajemen secara berkala memonitor persyaratan tersebut untuk memastikan tidak terdapat pelanggaran dalam batasan pinjaman Perusahaan.

Perusahaan dan entitas anak berusaha untuk meminimalkan biaya pinjaman sehingga dapat memaksimalkan nilai Perusahaan dan entitas anak. Oleh karena itu, kebijakan Perusahaan dan entitas anak dalam mencari pendanaan melalui utang selalu memperhitungkan risiko keuangan yang mungkin timbul di masa depan.

c. Tujuan dan kebijakan manajemen risiko keuangan

Tujuan dan kebijakan manajemen risiko keuangan Perusahaan dan entitas anak adalah untuk memastikan bahwa sumber daya keuangan yang memadai tersedia untuk operasi dan pengembangan bisnis, serta untuk mengelola risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Perusahaan dan entitas anak beroperasi dengan kebijakan yang telah ditentukan oleh Dewan Direksi.

Dalam pengelolaan risiko, Perusahaan membentuk Divisi Manajemen Risiko dan Kepatuhan ("DIVMRK") yang bertanggung jawab terhadap penyusunan kebijakan, kerangka kerja, pedoman penerapan manajemen risiko dan infrastruktur pengelolaan risiko, serta memastikan implementasi manajemen risiko tersebut di lingkungan Perusahaan. Divisi ini juga bertugas untuk memfasilitasi penyusunan profil risiko yang bersifat strategis sebagai himbauan awal kepada manajemen Perusahaan dan entitas anak. DIVMRK bertanggung jawab kepada Direktur Perencanaan Korporat ("DIRREN").

The Board of Directors of the Company and its subsidiaries periodically review the Company and its subsidiaries' capital structure. As part of this review, the Board of Directors considers the cost of capital and related risks.

The Company's loan covenants require among other things, the fulfillment of a certain debt to equity ratio and capital adequacy ratio. Management regularly monitors such requirements to ensure that there are no defaults on the loans of the Company.

The Company and its subsidiaries aim to minimize the cost of debt in order to maximize their value. Therefore, in their financing policies, the Company and its subsidiaries always take into account the financial risk that may arise in the future.

c. Financial risk management objectives and policies

The objectives and policies of the Company and its subsidiaries' financial risk management are to ensure that adequate financial resources are available for the operation and development of their business, while managing their exposure to market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company and its subsidiaries operate within defined policies approved by the Board of Directors.

In managing those risks, the Company established a Risk Management and Compliance Division ("DIVMRK") which is responsible for the preparation of the policies, the relevant frameworks, implementation guideline and the necessary risk management infrastructure to ensure the implementation of risk management in the Company's environment. The division is also established to facilitate a strategic risk profile as an early warning to the Company and its subsidiaries' management. DIVMRK is responsible to the Corporate Planning Director ("DIRREN").

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Perusahaan telah menetapkan taksonomi risiko dengan membagi risiko menjadi lima kelompok yaitu risiko strategis, risiko keuangan, risiko operasional, risiko proyek, dan risiko kepatuhan. Risiko keuangan diantaranya adalah risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Dalam mengelola risiko, Perusahaan mempertimbangkan skala prioritas yang didasarkan pada tingkat risikonya. Tingkat risiko ditentukan berdasarkan tingkat kemungkinan terjadinya dan skala dampak yang ditimbulkan.

Terkait dengan risiko keuangan, Perusahaan telah menetapkan kebijakan manajemen untuk melakukan transaksi lindung nilai. Sebagai salah satu BUMN, kebijakan manajemen yang telah disetujui menjadi sangat penting agar tidak timbul masalah pada waktu pelaksanaan akuntansi lindung nilai tersebut. Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan konsolidasian berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar dengan menggunakan kurs Bloomberg pada tanggal laporan. Aset dan liabilitas derivatif disajikan sebesar keuntungan maupun kerugian yang belum direalisasi dari kontrak derivatif. Kontrak derivatif Perusahaan dan entitas anak diklasifikasikan sebagai Aset Keuangan yang diukur pada FVTPL. Transaksi ini semata-mata dimaksudkan untuk memitigasi risiko nilai tukar, tidak untuk diperdagangkan, dan memastikan ketersediaan likuiditas valas untuk pembayaran sebagian kewajiban valas yang jatuh tempo dalam jangka waktu 1-3 bulan pada periode pelaporan Perusahaan dan entitas anak. Lihat Catatan 3 untuk kebijakan akuntansi untuk aset keuangan dan liabilitas keuangan dan Catatan 55 untuk klasifikasi instrumen keuangan. Perusahaan dan entitas anak tidak menerapkan akuntansi lindung nilai atas transaksi-transaksi tersebut.

The Company has established risk taxonomy by dividing risk into five categories: strategic risk, financial risk, operational risk, project risk and compliance risk. Financial risk includes market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. In managing those risks, the Company considers prioritization based on risk level. Risk level is determined by the level of possibility and scale of potential impact.

Related to financial risks, the Company has established management's policy related to hedging transactions. As a BUMN, the approved management policy is very important in order to avoid any issues that may arise during the implementation of such hedging programs. All derivative instruments are recognized in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using the Bloomberg rate at the reporting date. Derivative assets or liabilities are presented at the amount of unrealized gain or loss from derivative contracts. The Company and its subsidiaries derivative contracts are classified as Financial Assets measured in FVTPL. These transactions are solely intended for mitigating foreign exchange risk, not for trading and ensuring the availability of foreign currency liquidity for principal and interest payment due in the 1-3 months of the Company and its subsidiaries reporting period. Refer to Note 3 for the accounting policy of financial assets and liabilities, as well as Note 55 for the financial instruments classification. The Company and its subsidiaries does not apply hedge accounting on those transactions.

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i. Manajemen risiko mata uang asing

Perusahaan dan entitas anak memiliki banyak transaksi dan sumber pendanaan dalam mata uang asing. Sebagai akibatnya timbul eksposur terhadap fluktuasi nilai tukar mata uang asing.

Perusahaan dan entitas anak telah melakukan diskusi dengan Bank Indonesia ("BI") untuk mendapatkan pemahaman komprehensif atas keadaan pasar. Perusahaan dan entitas anak kemudian akan mempertimbangkan keadaan pasar ke dalam proyeksi keuangan internal mereka dan mengembangkan strategi yang telah disetujui bersama untuk memitigasi eksposur risiko mata uang asing dengan membeli instrumen mata uang asing yang dibutuhkan disaat yang tepat.

Jumlah eksposur mata uang asing bersih Perusahaan dan entitas anak pada tanggal pelaporan diungkapkan dalam Catatan 52.

Sensitivitas mata uang asing

Tabel di bawah ini memaparkan rincian sensitivitas Perusahaan dan entitas anak untuk setiap 10% kenaikan dan penurunan Rupiah terhadap mata uang asing yang relevan. Kenaikan dan penurunan 10% menggambarkan penilaian manajemen terhadap perubahan yang rasional pada nilai tukar dengan mempertimbangkan kondisi ekonomi saat ini. Analisis sensitivitas ini mencakup saldo item moneter setelah pajak dalam mata uang asing dan menyesuaikan translasi pada akhir tahun untuk 10% perubahan dalam nilai tukar mata uang asing.

Analisa sensitivitas ini tidak memperhitungkan dampak dan perubahan kurs mata uang asing yang dapat dikapitalisasi sebagai aset pekerjaan dalam penyelesaian sesuai dengan PSAK 26: Biaya Pinjaman.

i. Foreign currency risk management

The Company and its subsidiaries undertake many transactions and funding sources denominated in foreign currencies. Consequently, there is exposures to exchange rate fluctuations.

The Company and its subsidiaries held regular discussions with Bank Indonesia ("BI") to get a comprehensive understanding of the market outlook. The Company and its subsidiaries then incorporated this outlook into its internal financial forecast and developed a concerted strategy to mitigate its foreign currency exposure by purchasing the required foreign currency denominated instruments at the right time.

The Company and its subsidiaries' foreign currency exposure as of the reporting date is disclosed in Note 52.

Foreign currency sensitivity

The following table explains the details of the Company's and its subsidiaries' sensitivity to a 10% increase and decrease in Rupiah against the relevant foreign currencies. This 10% increase or decrease represents management's assessment of the reasonably possible changes in foreign currency rates considering the current economic conditions. The sensitivity analysis includes after tax outstanding foreign denominated monetary items and adjusts their translation at the end of the year for a 10% change in foreign currency rates.

This sensitivity analysis does not consider the potential changes to the amount of foreign exchange differences that can be capitalized as construction in progress assets in accordance with SFAS 26: Borrowing Costs.

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		Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
		2017					
		USD		JPY			
		10%	-10%	10%	-10%		
Aset keuangan							Financial assets
Piutang pihak berelasi	(16,716,323)		16,716,323	--	--		Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	(46,410,310)	46,410,310		(474,255,536)	474,255,536		Restricted cash in banks and time deposits
Kas dan setara kas	(548,581,755)	548,581,755		(8,562,612)	8,562,612		Cash and cash equivalents
Jumlah aset keuangan	(611,708,388)	611,708,388		(482,818,148)	482,818,148		Total financial assets
Liabilitas keuangan							Financial liabilities
Penerusan pinjaman	975,383,820	(975,383,820)		1,477,432,120	(1,477,432,120)		Two-step loans
Utang sewa pembiayaan	84,948,291	(84,948,291)		1,360,633,793	(1,360,633,793)		Lease liabilities
Utang bank dan surat hutang jangka menengah	3,076,033,894	(3,076,033,894)		(52,039,683)	52,039,683		Bank loans and medium term notes
Utang obligasi	6,550,050,000	(6,550,050,000)		--	--		Bonds payable
Utang listrik sw asta	548,656,650	(548,656,650)		--	--		Electricity purchase payable
Utang lain-lain	363,730,176	(363,730,176)		137,211	(137,211)		Other payables
Utang biaya proyek	33,189,353	(33,189,353)		430,999	(430,999)		Project cost payable
Utang usaha	548,027,544	(548,027,544)		--	--		Trade payables
Biaya masih harus dibayar	135,233,100	(135,233,100)		39,481,195	(39,481,195)		Accrued expenses
Jumlah liabilitas keuangan	12,315,252,828	(12,315,252,828)		2,826,075,635	(2,826,075,635)		Total financial liabilities
Jumlah - bersih	11,703,544,440	(11,703,544,440)		2,343,257,487	(2,343,257,487)		Total - net

		Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
		2017					
		EUR		Lain-lain/Others *)			
		10%	-10%	10%	-10%		
Aset keuangan							Financial assets
Kas dan setara kas	(8,838,125)	8,838,125		--	--		Cash and cash equivalents
Jumlah aset keuangan	(8,838,125)	8,838,125		--	--		Total financial assets
Liabilitas keuangan							Financial liabilities
Penerusan pinjaman	(27,681,984)	27,681,984		(11,954,791)	11,954,791		Two-step loans
Utang bank dan surat hutang jangka menengah	(142,655,274)	142,655,274		--	--		Bank loans and medium term notes
Utang lain-lain	(7,666,518)	7,666,518		--	--		Other payables
Utang biaya proyek	(2,268,186)	2,268,186		--	--		Project cost payable
Utang usaha	(688,569)	688,569		(765,072)	765,072		Trade payables
Biaya masih harus dibayar	(1,124,014)	1,124,014		(124,043)	124,043		Accrued expenses
Jumlah liabilitas keuangan	(182,084,545)	182,084,545		(12,843,906)	12,843,906		Total financial liabilities
Jumlah - bersih	(190,922,670)	190,922,670		(12,843,906)	12,843,906		Total - net

		Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
		2016					
		USD		JPY			
		10%	-10%	10%	-10%		
Aset Keuangan							Financial assets
Piutang pihak berelasi	19,043	(19,043)		--	--		Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	45,268	(45,268)		509,802	(509,802)		Restricted cash in banks and time deposits
Kas dan setara kas	179,879	(179,879)		10,584	(10,584)		Cash and cash equivalents
Jumlah aset keuangan	244,190	(244,190)		520,386	(520,386)		Total financial assets
Liabilitas Keuangan							Financial liabilities
Penerusan pinjaman	(759,783)	759,783		(1,557,056)	1,557,056		Two-step loans
Utang sewa pembiayaan	--	--		(1,629,179)	1,629,179		Lease liabilities
Utang bank	(3,012,082)	3,012,082		--	--		Bank loans
Utang obligasi dan sukuk ijarah	(5,038,500)	5,038,500		--	--		Bonds payable and sukuk ijarah
Utang listrik sw asta	(573,308)	573,308		--	--		Electricity purchase payable
Utang lain-lain	(422,138)	422,138		--	--		Other payables
Utang biaya proyek	(19,537)	19,537		(515)	515		Project cost payable
Utang usaha	(420,073)	420,073		(277)	277		Trade payables
Biaya masih harus dibayar	(114,151)	114,151		(36,338)	36,338		Accrued expenses
Jumlah liabilitas keuangan	(10,359,572)	10,359,572		(3,223,365)	3,223,365		Total financial liabilities
Jumlah - bersih	(10,115,382)	10,115,382		(2,702,979)	2,702,979		Total - net

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	Dampak terhadap laba setelah pajak/ Effect to profit after tax *)				
	2016				
	EUR		Lain-lain/Others **)		
	10%	-10%	10%	-10%	
Aset Keuangan					Financial assets
Kas dan setara kas	7,752	(7,752)	461	(461)	Cash and cash equivalents
Jumlah aset keuangan	7,752	(7,752)	461	(461)	Total financial assets
Liabilitas Keuangan					Financial liabilities
Penerusan pinjaman	(42,222)	42,222	(13,305)	13,305	Two-step loans
Utang bank	(151,485)	151,485	--	--	Bank loans
Utang lain-lain	(50,392)	50,392	(8,252)	8,252	Other payables
Utang biaya proyek	(3,571)	3,571	--	--	Project cost payable
Utang usaha	(11,654)	11,654	(5,121)	5,121	Trade payables
Biaya masih harus dibayar	(1,207)	1,207	(140)	140	Accrued expenses
Jumlah liabilitas keuangan	(260,531)	260,531	(26,818)	26,818	Total financial liabilities
Jumlah - bersih	(252,779)	252,779	(26,357)	26,357	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman

**) Mata uang asing lainnya disajikan dalam jumlah setara US\$ menggunakan kurs tanggal pelaporan

*) Not considering the effect of borrowing cost capitalization

**) Other foreign currencies are presented as US\$ equivalent using the exchange rates prevailing at reporting date

ii. Manajemen risiko tingkat suku bunga

Perusahaan dan entitas anak memiliki transaksi pada tingkat suku bunga tetap dan tingkat suku bunga mengambang. Transaksi dengan tingkat suku bunga mengambang terekspos terhadap risiko suku bunga arus kas. Pinjaman yang diterbitkan dengan tingkat suku bunga tetap mengekspos Perusahaan dan entitas anak dengan risiko suku bunga nilai wajar. Perusahaan dan entitas anak mengelola risiko dengan menyeimbangkan porsi pinjaman dengan bunga tetap dan bunga mengambang.

Sensitivitas tingkat suku bunga

Analisis sensitivitas berikut telah ditentukan berdasarkan eksposur Perusahaan dan entitas anak terhadap tingkat suku bunga untuk saldo instrumen keuangan terutang setelah pajak pada tanggal pelaporan. Analisis ini disusun dengan mengasumsikan jumlah saldo aset dan liabilitas terutang pada akhir periode pelaporan, terutang sepanjang tahun. Analisis sensitivitas ini menggunakan asumsi kenaikan dan penurunan sebesar 50 basis poin ("bp") pada tingkat bunga yang relevan dengan variabel lain dianggap konstan. Kenaikan dan penurunan sebesar 50 bp merupakan penilaian

ii. Interest rate risk management

The Company and its subsidiaries have transactions at fixed and floating interest rates. Transactions at floating interest rates are exposed to cash flow interest rate risk. Borrowing issued at fixed rates exposes the Company and its subsidiaries to fair value interest risk. The Company and its subsidiaries manage the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Company and its subsidiaries' exposure to interest rates for financial instruments after tax outstanding at the reporting date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis uses an assumption of a 50 basis point ("bp") increase and decrease in the relevant interest rates with all other variables held constant. A 50 bp increase or decrease represents management's assessment of the

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apakah nantinya akan bisa membayar atau tidak. Dalam meminimalkan risiko tidak tertagihnya piutang, Perusahaan dan entitas anak menerapkan uang jaminan pelanggan dan melakukan pemutusan sambungan listrik ke pelanggan ditentukan jika pelanggan tidak membayar lewat dari tiga bulan untuk meminimalkan risiko kredit. Untuk kas dan setara kas, Perusahaan dan entitas anak mengelola rekening pada beberapa Bank untuk menghindari konsentrasi kas yang signifikan dengan satu institusi.

Nilai tercatat aset keuangan pada laporan keuangan konsolidasian setelah dikurangi dengan penyisihan untuk kerugian mencerminkan eksposur Perusahaan dan entitas anak terhadap risiko kredit. Lihat Catatan 55.a untuk rinciannya.

Kualitas kredit piutang usaha

Perusahaan dan entitas anak berkeyakinan bahwa tidak ada risiko kredit kualitas yang buruk karena piutang usaha Perusahaan dan entitas anak tersebar merata atas jumlah pelanggan yang besar yang meliputi berbagai industri dan wilayah geografis. Perusahaan dan entitas anak juga melakukan evaluasi kredit berkelanjutan atas kondisi keuangan piutang secara berkala. Lihat Catatan 14 untuk rincian umur piutang dan analisa cadangan penurunan nilai.

Kualitas kredit piutang subsidi listrik

Perusahaan dan entitas anak berkeyakinan bahwa piutang subsidi listrik dapat diterima sepenuhnya dalam jangka waktu yang telah ditentukan dari Pemerintah Republik Indonesia. Perusahaan dan entitas anak berkeyakinan bahwa tidak ada risiko gagal bayar oleh Pemerintah.

ability to pay. In minimizing the risk of uncollected receivables, the Company and its subsidiaries collect customers security deposits and will terminate the electricity connection to the customer if a customer does not make payment on time after three months to minimize the Company's credit risk. For cash and cash equivalents, the Company and its subsidiaries maintain accounts with several banks to avoid significant concentration of cash with one institution.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Company's and its subsidiaries exposure to credit risk. See Note 55.a for details.

Credit quality of trade accounts receivable

The Company and its subsidiaries believe that there is no heightened risk of poor credit quality because its trade receivables are spread over a large number of customers across diverse industries and geographic areas. The Company and its subsidiaries also performs ongoing credit evaluation on the financial condition of its accounts receivable. See Note 14 for detailed information of the aging of receivables and impairment assessment of trade receivables.

Credit quality of electricity subsidy

The Company and its subsidiaries believes that receivables on electricity subsidy can be fully recovered in time because it is to be collected from the Government of the Republic of Indonesia. The Company and its subsidiaries believes there is no risk of default by the Government.

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Kualitas kredit kas, deposito berjangka dan kas yang dibatasi penggunaannya

Perusahaan dan entitas anak menempatkan kas dan setara kas, deposito berjangka dan rekening deposito yang dibatasi penggunaannya pada bank yang memiliki kualitas kredit yang baik. Oleh karena itu, Perusahaan dan entitas anak berkeyakinan bahwa risiko kredit atas aset keuangan ini adalah minimal. Pihak ketiga yang dimaksud termasuk institusi keuangan utama dan BUMN lainnya.

Kualitas kredit piutang lainnya

Piutang lainnya ditagihkan kepada pihak berelasi dan karyawan Perusahaan dan entitas anak. Oleh karena itu, Perusahaan dan entitas anak dapat memonitor kolektibilitas piutang-piutang ini dengan seksama. Perusahaan dan entitas anak memiliki tingkat kolektibilitas yang baik atas piutang-piutang terkait.

Tabel berikut menunjukkan kualitas aset keuangan Perusahaan dan entitas anak sebelum cadangan kerugian penurunan nilai:

Credit qualities of cash, time deposits and restricted cash

The Company and its subsidiaries placed cash and cash equivalents, time deposits and restricted cash with reputable counterparties that have good credit rating or bank standing. Consequently, the Company and its subsidiaries believe that the credit risk of such financial assets is minimal. These counterparties include large financial institutions and other BUMN.

Credit quality of other receivables

Other receivables are to be collected from the Company and its subsidiaries related parties and employees. Thus, the Company and its subsidiaries can closely monitor the collectability of these receivables. The Company and its subsidiaries have a good historical collection rate of these financial assets.

The following table shows the quality of financial assets of the Company and its subsidiaries before allowance for impairment losses:

	2017				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither past due nor impaired</i> Rp	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i> Rp	Mengalami penurunan nilai/ <i>Impaired</i> Rp	Jumlah/ <i>Total</i> Rp	
Aset keuangan					Financial assets
Aset tidak lancar					Non-current assets
Piutang pihak berelasi	237,181	--	--	237,181	<i>Receivables from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,487,709	--	--	7,487,709	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	634,949	--	--	634,949	<i>Other receivables</i>
Aset tidak lancar lainnya	3,964	--	--	3,964	<i>Other non-current assets</i>
Jumlah aset tidak lancar	<u>8,363,803</u>	<u>--</u>	<u>--</u>	<u>8,363,803</u>	<i>Total non-current assets</i>
Aset lancar					Current assets
Kas dan setara kas	42,291,959	--	--	42,291,959	<i>Cash and cash equivalents</i>
Investasi jangka pendek	286,697	--	--	286,697	<i>Short-term investments</i>
Piutang usaha	18,252,338	3,036,855	1,177,650	22,466,843	<i>Trade receivables</i>
Piutang subsidi listrik	7,588,977	--	--	7,588,977	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	1,672,237	--	--	1,672,237	<i>Other receivables</i>
Piutang pihak berelasi	5,294	--	--	5,294	<i>Receivables from related parties</i>
Aset lancar lainnya	30,124	--	--	30,124	<i>Other current assets</i>
Jumlah aset lancar	<u>70,127,626</u>	<u>3,036,855</u>	<u>1,177,650</u>	<u>74,342,131</u>	<i>Total current assets</i>
Jumlah aset keuangan	<u>78,491,429</u>	<u>3,036,855</u>	<u>1,177,650</u>	<u>82,705,934</u>	<i>Total financial assets</i>

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	2016			Jumlah/ Total Rp	
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither past due nor impaired</i> Rp	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i> Rp	Mengalami penurunan nilai/ <i>Impaired</i> Rp		
Aset keuangan					Financial assets
Aset tidak lancar					Non-current assets
Piutang pihak berelasi	263,064	--	--	263,064	<i>Receivables from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,464,260	--	--	7,464,260	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	350,465	--	--	350,465	<i>Other receivables</i>
Aset tidak lancar lainnya	967	--	--	967	<i>Other non-current assets</i>
Jumlah aset tidak lancar	<u>8,078,756</u>	<u>--</u>	<u>--</u>	<u>8,078,756</u>	<i>Total non-current assets</i>
Aset lancar					Current assets
Kas dan setara kas	41,909,223	--	--	41,909,223	<i>Cash and cash equivalents</i>
Investasi jangka pendek	374,771	--	--	374,771	<i>Short-term investments</i>
Piutang usaha	19,806,412	2,930,391	1,025,842	23,762,645	<i>Trade receivables</i>
Piutang subsidi listrik	12,446,110	--	--	12,446,110	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	2,411,384	--	--	2,411,384	<i>Other receivables</i>
Piutang pihak berelasi	36,548	--	--	36,548	<i>Receivables from related parties</i>
Aset lancar lainnya	5,915	--	--	5,915	<i>Other current assets</i>
Jumlah aset lancar	<u>76,990,363</u>	<u>2,930,391</u>	<u>1,025,842</u>	<u>80,946,596</u>	<i>Total current assets</i>
Jumlah aset keuangan	<u>85,069,119</u>	<u>2,930,391</u>	<u>1,025,842</u>	<u>89,025,352</u>	Total financial assets

iv. Manajemen risiko likuiditas

Risiko likuiditas didefinisikan sebagai risiko bahwa Perusahaan dan entitas anak akan menghadapi kesulitan dalam memenuhi kewajiban terkait dengan liabilitas keuangan yang diselesaikan dengan pembayaran kas atau aset keuangan lainnya. Tanggung jawab utama manajemen risiko likuiditas terletak pada Direksi, yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk persyaratan manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang Perusahaan dan entitas anak. Perusahaan dan entitas anak mengelola risiko likuiditas dengan menjaga kecukupan kas, simpanan, fasilitas bank dan cadangan fasilitas pinjaman dengan terus menerus memonitor perkiraan dan realisasi arus kas dan mencocokkan profil jatuh tempo liabilitas keuangan.

Selanjutnya Perusahaan dan entitas anak juga memelihara kecukupan dana dengan cara mempertahankan kecukupan jumlah kas dan setara kas dan investasi jangka pendek yang mudah dikonversi menjadi uang tunai ketika mengalami gangguan yang tak terduga dari penagihan kas.

iv. Liquidity risk management

Liquidity risk is defined as the risk that the Company and its subsidiaries will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company and its subsidiaries, short, medium and long-term funding and liquidity management requirements. The Company and its subsidiaries manage liquidity risk by maintaining adequate cash, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

In addition, the Company and its subsidiaries maintain an adequate amount of cash and cash equivalents and short-time investments, which may be readily converted to cash upon any unforeseen interruption of their cash collections.

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Tabel berikut ini memberikan rincian tanggal jatuh tempo kontraktual untuk liabilitas keuangan dengan pembayaran yang telah disepakati pada periode 31 Desember 2017. Tabel tersebut telah disusun berdasarkan arus kas liabilitas keuangan yang tidak didiskontokan berdasarkan tanggal paling awal dimana Perusahaan dan entitas anak diwajibkan untuk membayar. Untuk arus bunga dengan tingkat bunga mengambang, nilai arus kas yang tidak terdiskonto diperoleh dari kurva suku bunga pada akhir periode. Untuk liabilitas keuangan yang didenominasi dengan mata uang asing, jumlah yang tidak didiskontokan ditranslasi dengan kurva nilai tukar *forward* yang relevan pada akhir periode pelaporan.

The following table details the remaining contractual maturity for its financial liabilities with an agreed repayment period as of December 31, 2017. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company and its subsidiaries are required to pay. To the extent that interest flows are floating rate, the undiscounted cash flow is derived from interest rate curves at the end of the reporting period. For foreign currency denominated financial liabilities, the undiscounted amortization is translated using the relevant forward exchange curve at the end of the reporting period.

	2017					
	Kurang dari satu tahun/ Less than one year Rp	Lebih dari satu tahun tetapi tidak lebih dari tiga tahun/ Over one year but not longer than three years Rp	Lebih dari tiga tahun tetapi tidak lebih dari lima tahun/ Over three years but not longer than five years Rp	Lebih dari lima tahun/ Over five years Rp	Jumlah/ Total Rp	
Liabilitas keuangan						Financial Liabilities
Penerusan pinjaman	2,735,992	4,367,399	4,297,084	22,820,993	34,221,468	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan						Government and non-bank Government financial institution loans
Pemerintah non-bank	1,043,793	2,087,585	1,500,000	2,721,588	7,352,966	
Utang sewa pembiayaan	4,871,908	7,560,028	6,219,869	1,933,372	20,585,177	Lease liabilities
Utang bank	26,548,747	30,627,494	34,436,611	50,953,259	142,566,111	Bank loans
Utang obligasi dan sukuk ijarah	914,000	29,349,000	18,743,000	52,348,360	101,354,360	Bonds payable and sukuk ijarah
Utang listrik sw asta	349,968	761,221	848,708	5,416,506	7,376,403	Electricity purchase payable
Utang KIK - EBA	630,600	1,556,257	1,351,729	--	3,538,586	KIK-EBA loans
Utang pihak berelasi	--	794	--	--	794	Related parties payables
Utang usaha	43,711,425	--	--	--	43,711,425	Trade payables
Utang jaminan langganan	12,642,333	--	--	--	12,642,333	Customer's security deposits
Utang biaya proyek	723,992	--	--	--	723,992	Project cost payable
Biaya masih harus dibayar	11,477,437	--	--	--	11,477,437	Accrued expenses
Utang lain-lain	21,255,272	940,154	--	--	22,195,426	Other payables
Jumlah	126,905,467	77,249,932	67,397,001	136,194,078	407,746,478	Total
	2016					
	Kurang dari satu tahun/ Less than one year Rp	Lebih dari satu tahun tetapi tidak lebih dari tiga tahun/ Over one year but not longer than three years Rp	Lebih dari tiga tahun tetapi tidak lebih dari lima tahun/ Over three years but not longer than five years Rp	Lebih dari lima tahun/ Over five years Rp	Jumlah/ Total Rp	
Liabilitas keuangan						Financial Liabilities
Penerusan pinjaman	3,225,020	5,647,585	4,788,322	23,224,184	36,885,111	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan						Government and non-bank Government financial institution loans
Pemerintah non-bank	1,477,709	2,792,908	2,294,957	3,917,838	10,483,412	
Utang sewa pembiayaan	6,015,204	13,055,210	7,174,345	6,143,690	32,388,449	Lease liabilities
Utang bank	37,685,205	42,043,558	39,585,060	51,306,781	170,620,604	Bank loans
Utang obligasi dan sukuk ijarah	16,506,604	23,893,851	39,747,215	48,967,000	129,114,670	Bonds payable and sukuk ijarah
Utang listrik sw asta	787,756	1,579,268	1,578,912	7,931,753	11,877,689	Electricity purchase payable
Utang pihak berelasi	--	2,301	--	--	2,301	Related parties payables
Utang usaha	30,192,084	--	--	--	30,192,084	Trade payables
Utang jaminan langganan	12,049,554	--	--	--	12,049,554	Customer's security deposits
Utang biaya proyek	384,739	--	--	--	384,739	Project cost payable
Biaya masih harus di bayar	10,644,559	--	--	--	10,644,559	Accrued expenses
Utang lain-lain	18,081,035	155,781	--	--	18,236,816	Other payables
Jumlah	137,049,469	89,170,462	95,168,811	141,491,246	462,879,988	Total

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d. Nilai wajar instrumen keuangan

Kecuali dijabarkan pada tabel berikut ini, manajemen berpendapat bahwa nilai tercatat aset dan liabilitas keuangan yang dicatat sebesar biaya perolehan diamortisasi dalam laporan keuangan konsolidasian mendekati nilai wajarnya baik yang jatuh tempo dalam jangka pendek, instrumen tersebut dijamin penuh atau mempunyai tingkat suku bunga pasar:

d. Fair value of financial instruments

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values either because of their short-term maturities, because the instruments are fully collateralized or because they carry a market interest rate:

	2017		2016		
	Nilai tercatat/ Carrying amount Rp	Nilai wajar/ Fair value Rp	Nilai tercatat/ Carrying amount Rp	Nilai wajar/ Fair value Rp	
Pinjaman diberikan dan piutang					Loans and receivables
Piutang pihak berelasi	242,475	242,475	299,612	299,191	Receivables from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,487,709	7,487,709	7,464,260	7,867,441	Restricted cash in banks and time deposits
Liabilitas pada biaya perolehan diamortisasi					Liabilities at amortized cost
Penerusan pinjaman	34,221,468	34,221,468	31,696,088	34,287,857	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan					Government and non-bank Government financial institution loans
Pemerintah non-bank	7,352,966	7,352,966	8,301,603	6,862,736	Lease liabilities
Utang sewa pembiayaan	20,585,177	20,892,122	21,722,392	22,164,687	Bonds payable and sukuk ijarah
Utang obligasi dan sukuk ijarah	101,354,360	108,501,996	78,392,683	82,902,380	Electricity purchase payable
Utang listrik swasta	7,376,402	8,295,015	7,644,105	8,683,601	Payable to related parties
Utang pihak berelasi	1,794	1,794	2,301	2,301	Bank loans
Utang bank	142,566,111	143,512,677	126,757,278	126,834,204	

Nilai wajar instrumen keuangan diatas, kecuali untuk utang obligasi, ditentukan dengan mendiskontokan estimasi arus kas masa depan menggunakan suku bunga pasar dengan penyesuaian kredit pada tanggal pelaporan. Nilai wajar instrumen keuangan diatas diklasifikasikan sebagai tingkat dua dalam hirarki nilai wajar.

The fair value for the above financial instruments, except for bonds payable, was determined by discounting estimated future cash flows with credit adjusted market interest rates at the reporting date. The fair values of the above financial instruments are within level two of the fair value hierarchy.

Nilai wajar dari utang obligasi, ditentukan dengan mengacu pada harga pasar yang dikuotasi pada tanggal pelaporan. Nilai wajar utang obligasi diatas diklasifikasikan sebagai tingkat satu dalam hirarki nilai wajar.

The fair value of bonds payable is determined by quoted the closing ask price at the reporting date. The fair values of the above financial instruments are within level one of the fair value hierarchy.

e. Aset Derivatif

Perusahaan melaksanakan *hedging* terbatas untuk memitigasi risiko selisih kurs atas transaksi-transaksi tertentu. Jenis transaksi *hedging* yang dilaksanakan adalah kontrak-kontrak *currency swap* dengan jumlah rincian per 31 Desember 2017 adalah sebagai berikut:

e. Derivative Asset

The Company has implemented limited hedge on certain transactions to mitigate its foreign currency exposure. The type of hedge transaction is currency swap contract with details as of December 31, 2017 as follows:

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Pihak lawan/ <i>Counterparties</i>	Jangka waktu <i>hedging</i> / <i>Hedging periods</i>	Jumlah Notional/ <i>Notional amount</i> Rp	Aset (Liabilitas) Derivatif/ <i>Derivative</i> <i>Assets (Liabilities)</i> Rp
BNI	4 bulan/ <i>months</i>	678,550	11,566
BRI	4 bulan/ <i>months</i>	678,725	11,932
Mandiri	4 bulan/ <i>months</i>	339,675	5,787
BNI	< 1 Bulan/ <i>Months</i>	1,018,300	(423)
BRI	< 1 Bulan/ <i>Months</i>	2,714,525	85
Mandiri	< 1 Bulan/ <i>Months</i>	2,374,825	4
Jumlah/ Total		7,804,600	28,951

56. Informasi Tambahan terkait Penerapan POJK No. 6

Sejak 1 Januari 2016, Perusahaan menerapkan secara prospektif POJK No.6 untuk transaksi berdasarkan Perjanjian Jual Beli Tenaga Listrik dengan IPP. Dampak penerapan POJK No.6 telah disesuaikan ke saldo laba 1 Januari 2016 (Catatan 2.a).

Sesuai POJK No.6 maka setiap transaksi berdasarkan Perjanjian Jual Beli Tenaga Listrik, diperlakukan sebagai transaksi jual beli, meskipun sebenarnya mengandung substansi selain jual beli (Catatan 3.l dan 3.w). Tabel berikut ini disajikan sebagai informasi tambahan, jika perjanjian jual beli listrik dianggap mengandung sewa.

56. Additional Information Related to Implementation of POJK No.6

Since January 1, 2016, the Company has implemented POJK No.6 prospectively for transactions based on Power Purchase Agreement with IPPs. The effect of POJK No.6 implementation has been accounted for by adjustment to retained earnings as of January 1, 2016 (Note 2.a).

In accordance with POJK No.6, all transaction based on Power Purchase Agreement is treated as a sales and purchase transaction, although it contains substance other than sales and purchase (Notes 3.l and 3.w). The following tables are presented as an additional information if a certain power purchase agreement is deemed to contain a lease.

	Dengan/ Under ISAK 8		
	31 Desember/ December 31, 2017 Rp	31 Desember/ December 31, 2016 Rp	
<u>Laporan posisi keuangan konsolidasian</u>			<u>Consolidated statements of financial position</u>
Aset tidak lancar			<i>Non-current assets</i>
Aset tetap	1,308,373,397	1,239,554,567	<i>Property, plant and equipment</i>
Aset pajak tangguhan	24,590,272	24,116,230	<i>Deferred tax assets</i>
Ekuitas			<i>Equity</i>
Saldo laba - tidak ditentukan penggunaannya	26,924,938	35,393,221	<i>Retained earnings - unappropriated</i>
Liabilitas jangka panjang			<i>Non-current liabilities</i>
Utang sewa pembiayaan	175,276,384	165,361,010	<i>Lease liabilities</i>
Utang listrik swasta	6,304,485	6,587,627	<i>Electricity purchase payable</i>
Liabilitas jangka pendek			<i>Current liabilities</i>
Utang usaha			<i>Trade payables</i>
Pihak berelasi	10,950,823	7,209,473	<i>Related parties</i>
Pihak ketiga	31,185,078	20,911,486	<i>Third parties</i>
Biaya masih harus dibayar	13,029,534	12,566,549	<i>Accrued expenses</i>
Utang listrik swasta	338,056	318,846	<i>Electricity purchase payable</i>
Utang sewa pembiayaan	9,063,151	7,323,327	<i>Lease liabilities</i>
Utang lain-lain	21,255,272	18,058,664	<i>Other payables</i>

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	31 Desember/ December 31, 2017 Rp	31 Desember/ December 31, 2016 Rp	
<u>Laporan laba rugi dan penghasilan komprehensif lain konsolidasian</u>			<u>Consolidated statements of profit or loss and other comprehensive income</u>
Beban usaha:			<i>Operating expenses:</i>
Bahan bakar dan pelumas	142,102,203	127,408,734	<i>Fuel and lubricants</i>
Pembelian tenaga listrik	4,099,806	4,524,394	<i>Purchased electricity</i>
Sewa	9,589,066	8,082,353	<i>Lease</i>
Pemeliharaan	25,052,507	26,087,691	<i>Maintenance</i>
Penyusutan	33,905,138	31,484,447	<i>Depreciation</i>
Laba usaha setelah subsidi	55,453,473	53,333,573	<i>Operating income after subsidy</i>
Pendapatan (beban) lain-lain			<i>Other income (expense)</i>
Beban keuangan	(49,833,656)	(46,385,695)	<i>Financial cost</i>
Keuntungan (kerugian) kurs mata uang asing - bersih	(4,365,296)	7,133,260	<i>Gain (loss) on foreign exchange - net</i>
Penghasilan (beban) lain-lain - bersih	3,369,553	(40,945)	<i>Others income (expense) - net</i>
Laba sebelum pajak	5,690,916	15,758,501	<i>Income before tax</i>
Beban pajak	(3,492,016)	(5,981,386)	<i>Tax expenses</i>
Laba tahun berjalan	2,198,900	9,777,115	<i>Income for the year</i>
Laba per saham dasar/ (Dalam Rupiah penuh)	24,994	180,084	<i>Basic/ earning per share (In Rupiah full amount)</i>
<u>Laporan arus kas konsolidasian</u>			<u>Consolidated statements of cash flows</u>
Arus kas dari aktivitas operasi			<i>Cash flows from operating activities</i>
Pembayaran kas kepada pemasok	(171,596,023)	(164,210,241)	<i>Cash paid to suppliers</i>
Kas diperoleh dari aktivitas operasi	64,533,828	36,388,636	<i>Cash provided by operating activities</i>
Pembayaran bunga	(49,170,854)	(45,968,259)	<i>Interest expense paid</i>
Kas bersih diperoleh dari aktivitas operasi	61,529,254	38,637,580	<i>Net cash provided by operating activities</i>
Arus kas dari aktivitas pendanaan			<i>Cash flows from financing activities</i>
Pembayaran utang listrik swasta	(318,250)	(312,695)	<i>Payments of electricity purchase payable</i>
Pembayaran utang sewa pembiayaan	(9,124,879)	(12,764,446)	<i>Payments of lease liabilities</i>
Kas bersih diperoleh dari aktivitas pendanaan	25,924,090	34,545,533	<i>Net cash provided by financing activities</i>
Nilai tunai pembayaran minimum atas utang sewa pembiayaan pada tanggal 31 Desember 2017 dan 2016 jika perusahaan menerapkan ISAK 8 adalah sebagai berikut:			<i>The present value of minimum lease payments on lease liabilities as of December 31, 2017 and 2016 if the Company applied ISFAS 8 were as follows:</i>
	2017	2016	
	Rp	Rp	
Pembayaran jatuh tempo dalam waktu:			<i>Minimum lease payments due:</i>
Tidak lebih dari satu tahun	38,591,929	35,584,552	<i>Not later than one year</i>
Antara lebih dari satu tahun sampai lima tahun	141,399,663	133,734,824	<i>Later than one year and not later than five years</i>
Lebih dari lima tahun	417,988,237	407,203,529	<i>Later than five years</i>
Jumlah pembayaran minimum sewa pembiayaan	597,979,829	576,522,905	<i>Total minimum lease payments</i>
Dikurangi bunga	413,640,294	403,838,568	<i>Less interest</i>
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	184,339,535	172,684,337	<i>Present value of future minimum lease payments</i>
Dikurangi bagian jatuh tempo dalam satu tahun	9,063,151	7,323,327	<i>Less current maturity</i>
Bagian jangka panjang	175,276,384	165,361,010	Long-term portion

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57. Peristiwa Setelah Periode Pelaporan

57. Events After Reporting Period

- | | |
|---|--|
| <p>i. Pada tanggal 23 Februari 2018, Perusahaan telah menerima putusan Direktur Jendral Pajak atas keberatan Perusahaan terhadap SKPKB PPh Badan tahun 2016. Hasil putusan tersebut mengabulkan sebagian keberatan perusahaan sehingga nilai kurang bayar dalam SKPKB Perusahaan yang semula sebesar Rp5.605.040 menjadi Rp564.041.</p> <p>ii. Pada tanggal 23 Februari 2018, Perusahaan menerbitkan Obligasi Berkelanjutan II PLN tahap III Tahun 2018 dengan jumlah nilai nominal sebesar Rp2.535.000, terdiri dari Obligasi Seri A, Obligasi Seri B, Obligasi Seri C, Obligasi Seri D, dan Obligasi Seri E dengan PT Bank Tabungan Negara (Persero) Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 22 Mei 2018 sampai dengan tanggal jatuh tempo obligasi.</p> <p>iii. Bersamaan dengan penerbitan Obligasi Berkelanjutan II PLN tahap III tahun 2018, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan II PLN tahap III tahun 2018 dengan nilai nominal sebesar Rp698.500, terdiri dari Seri A, Seri B, Seri C, dan Seri D dengan PT Bank Tabungan Negara (Persero) bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp6.760 per tahun untuk Seri A, Rp6.380 per tahun untuk Seri B, Rp4.715 per tahun untuk Seri C, dan Rp39.827 per tahun untuk Seri D dibayarkan setiap tiga bulan sejak 22 Mei 2018 sampai dengan tanggal jatuh tempo Sukuk Ijarah.</p> <p>iv. Pada tanggal 19 Januari 2018, PLN BB, entitas anak, mendirikan entitas anak yang bernama PT PLN Batubara Investasi. Entitas anak tersebut bergerak di bidang pendanaan, dengan akta notaris No. 22 yang dibuat di hadapan Ina Rosaina, S.H., dan telah mendapatkan persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam surat keputusan No. AHU-0003109.AH.01.01.TAHUN 2018 tanggal 23 Januari 2018. Berdasarkan</p> | <p>i. On February 23, 2018, the Company received the decision from the Director General of Taxes regarding the Company's appeal over the SKPKB of 2016 fiscal year Corporate Income Tax. The decision has partly granted the Company's appeal on the underpayment in the Company's SKPKB which was previously stated as Rp5,605,040 to become Rp564,041.</p> <p>ii. On February 23, 2018, the Company issued Sustainable Bonds II PLN phase III Year 2018 with a total nominal value amounting to Rp2,535,500 consisting of Series A, Series B, Series C, Series D, and Series E bonds, with PT Bank Tabungan Negara (Persero) Tbk as Trustee. The payment of interest is based on quarterly basis, starting from May 22, 2018 until the maturity date of the bonds.</p> <p>iii. Concurrent with the issuance of Sustainable Bonds II PLN phase III Year 2018, the Company also issued Sustainable Sukuk Ijara II PLN phase III Year 2018, with a nominal value amounting to Rp698,500, consisting of Series A, Series B, Series C, and Series D with PT Bank Tabungan Negara (Persero) as Trustee. The total ijarah fee amounted to Rp6,760 per annum for Series A, Rp6,380 per annum for Series B, Rp4,715 per annum for Series C, and Rp39,827 per annum for Series D which is paid based on a quarterly basis starting from May 22, 2018 until the maturity date of the Sukuk Ijarah.</p> <p>iv. On 19 January 2018, PLN BB, a subsidiary, established a subsidiary named PT PLN Batubara Investasi. The respective subsidiary is engaged in funding activities, based on notarial deed No.22, of notary Ina Rosaina, S.H., and has received an approval from the Minister of Law and Human Rights of Republic Indonesia in his decision letter No.AHU-0003109.AH.01.01.TAHUN 2018 dated January 23, 2018. Based on PLN's Circular Resolutions</p> |
|---|--|

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
(Lanjutan)**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2017 dan 2016
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
(Continued)**

For the Years Ended
December 31, 2017 and 2016
(In millions of Rupiah, unless otherwise stated)

Resolusi Sirkuler Perusahaan pada tanggal 8 Maret 2018, PT PLN Batubara Investasi telah dinominasikan dan ditetapkan Perusahaan sebagai perusahaan *unrestricted*.

on March 8, 2018, PT PLN Batubara Investasi has been nominated and determined by PLN as unrestricted company.

58. Penerbitan Kembali Laporan Keuangan Konsolidasian

Dalam rangka rencana Perusahaan untuk melakukan penawaran umum efek utang, Perusahaan telah menerbitkan kembali laporan keuangan konsolidasian Perusahaan untuk tahun yang berakhir pada tanggal 31 Desember 2017 untuk dicantumkan dalam dokumen penawaran.

Tambahan penyajian dan pengungkapan dalam laporan keuangan konsolidasian Perusahaan tersebut adalah sebagai berikut:

- Catatan 2: Penerapan Prinsip Akuntansi yang Berlaku Umum di Indonesia ("PABU")
- Catatan 52: Aset dan liabilitas moneter dalam mata uang asing
- Catatan 57: Peristiwa Setelah Periode Pelaporan

58. Reissuance of Consolidated Financial Statements

With respect to the Company's plan to conduct public offering of debt securities, the Company has reissued its consolidated financial statements for the year ended December 31, 2017 for inclusion in the offering documents.

Additional presentation and disclosures in the consolidated financial statements of the Company are as follows:

- *Note 2: Implementation of Indonesian Generally Accepted Accounting Principles ("GAAP")*
- *Note 52: Monetary assets and liabilities denominated In foreign currencies*
- *Note 57: Events After Reporting Period*

59. Tanggung Jawab Manajemen dan Persetujuan atas Laporan Keuangan Konsolidasian

Penyusunan dan penyajian wajar laporan keuangan konsolidasian merupakan tanggung jawab manajemen dan telah disetujui oleh Direksi untuk diterbitkan pada tanggal 18 April 2018.

59. Management's Responsibility and Approval of the Consolidated Financial Statements

The preparation and fair presentation of the consolidated financial statements were the responsibilities of the management and were approved by the Directors for issuance on April 18, 2018.

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/*AND SUBSIDIARIES***

**Laporan Keuangan Konsolidasian
Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015**

***Consolidated Financial Statements
For the Years Ended
December 31, 2016 and 2015***

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

Daftar Isi	Halaman/ <u>Pages</u>	Table of Contents
Surat Pernyataan Direksi		<i>Directors' Statement Letter</i>
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Keuangan Konsolidasian Untuk Tahun-tahun yang Berakhir pada Tanggal 31 Desember 2016 dan 2015		<i>Consolidated Financial Statements For the Years Ended December 31, 2016 and 2015</i>
Laporan Posisi Keuangan Konsolidasian	1	<i>Consolidated Statements of Financial Position</i>
Laporan Laba Rugi dan Penghasilan Komprehensif Lain Konsolidasian	4	<i>Consolidated Statements of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian	6	<i>Consolidated Statements of Changes in Equity</i>
Laporan Arus Kas Konsolidasian	7	<i>Consolidated Statements of Cash Flows</i>
Catatan Atas Laporan Keuangan Konsolidasian	8	<i>Notes to the Consolidated Financial Statements</i>



PT PLN (Persero)

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Facsimile : (021) 7221330

Website : www.pln.co.id

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB
ATAS LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL 31 DESEMBER 2016 DAN 2015
DAN UNTUK TAHUN-TAHUN YANG BERAKHIR PADA
TANGGAL 31 DESEMBER 2016 DAN 2015

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY
ON THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016 AND 2015
AND FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

Kami yang bertanda tangan dibawah ini/*We, the undersigned:*

- | | | |
|---|---|---|
| 1. Nama/Name
Alamat kantor/Office address | : | SOFYAN BASIR
PT PLN (PERSERO)
Jl. Trunojoyo Blok M I/135
Jakarta Selatan |
| Alamat domisili sesuai KTP atau kartu identitas
lain/ <i>Domicile as stated in ID Card</i> | : | Jln. Taman Bendungan Jatiluhur No. 3
Bendungan Hilir
Jakarta Pusat |
| Nomor telepon/Phone number
Jabatan/Position | : | (021) 7220300
DIREKTUR UTAMA / <i>PRESIDENT DIRECTOR</i> |
| 2. Nama/Name
Alamat kantor/Office address | : | SARWONO SUDARTO
PT PLN (PERSERO)
Jl. Trunojoyo Blok M I/135
Jakarta Selatan |
| Alamat domisili sesuai KTP atau kartu identitas
lain/ <i>Domicile as stated in ID Card</i> | : | Komplek BRI Blok A No. 45
Jln Pramukasari IV RT 009 RW 005
Rawasari, Cempaka Putih
Jakarta Pusat |
| Nomor telepon/Phone number
Jabatan/Position | : | (021) 7392038
DIREKTUR KEUANGAN / <i>FINANCE DIRECTOR</i> |

menyatakan bahwa/state that:

- | | |
|--|--|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan Konsolidasian; | 1. <i>We are responsible for the preparation and presentation of the Consolidated Financial Statements;</i> |
| 2. Laporan Keuangan Konsolidasian telah disusun dan disajikan sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia; | 2. <i>The Consolidated Financial Statements have been prepared and presented in accordance with Indonesian Generally Accepted Accounting Principles;</i> |
| 3. a. Semua informasi dalam Laporan Keuangan Konsolidasian telah dimuat secara lengkap dan benar; | 3. a. <i>All information contained in the Consolidated Financial Statements is complete and correct;</i> |
| b. Laporan Keuangan Konsolidasian tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material; | b. <i>The Consolidated Financial Statements do not contain misleading material information or facts and do not omit material information and facts;</i> |
| 4. Kami bertanggung jawab atas sistem pengendalian intern dalam Perusahaan dan Entitas Anak. | 4. <i>We are responsible for the Company and its Subsidiaries Internal control system.</i> |

Demikian pernyataan ini dibuat dengan sebenarnya.

This statement letter is made truthfully.

Jakarta, 08, Januari, 2018 / *January*, 08, 2018

SOFYAN BASIR Direktur Utama / <i>President Director</i>	SARWONO SUDARTO Direktur Keuangan / <i>Finance Director</i>



Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

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Plaza ASIA, Level 10
Jl. Jend. Sudirman Kav. 59
Jakarta 12190 Indonesia

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F +62 21 5140 1350

www.rsm.id

Nomor/Number : R-2/234.AGA/sat.1/2017

Laporan Auditor Independen/ Independent Auditors' Report

Pemegang Saham, Dewan Komisaris dan Direksi/
The Shareholder, Board of Commissioners and Directors

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara

Kami telah mengaudit laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("Perusahaan") dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar

We have audited the accompanying consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those

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AUDIT | TAX | CONSULTING

tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anaknya tanggal 31 Desember 2016, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia.

Penekanan suatu hal

Kami membawa perhatian ke Catatan 2.a atas laporan keuangan konsolidasian terlampir yang menjelaskan bahwa Perusahaan mengubah kebijakan akuntansi untuk transaksi berdasarkan perjanjian jual beli tenaga listrik dengan menerapkan lebih dini Peraturan Otoritas Jasa Keuangan No.6 POJK.04/2017 secara prospektif untuk periode tahun buku yang dimulai 1 Januari 2016. Dampak perubahan kebijakan akuntansi ini diungkapkan dalam Catatan 56 atas laporan keuangan konsolidasian terlampir. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries as of December 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Generally Accepted Accounting Principles.

Emphasis of matter

We draw attention to Note 2.a to the accompanying consolidated financial statements which explains that the Company changed its accounting policy for transactions based on power purchase agreements by early applying the Financial Services Authority Regulation No.6 POJK.04/2017 prospectively for the annual period beginning on January 1, 2016. The effect of such change in accounting policy is disclosed in Note 56 to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

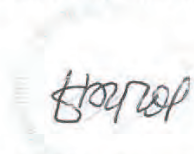
Hal lain

Sebelum laporan ini, kami telah menerbitkan laporan auditor independen No. R-1/234.AGA/sat.1/2017 bertanggal 26 April 2017 atas laporan keuangan konsolidasian Perusahaan tanggal 31 Desember 2016 dan untuk tahun yang berakhir pada tanggal tersebut dengan opini tanpa modifikasian. Merujuk pada surat Menteri Energi dan Sumber Daya Mineral (ESDM) tanggal 8 Mei 2017 tentang realisasi susut jaringan tenaga listrik Perusahaan, pada tanggal 31 Agustus 2017 Badan Pemeriksa Keuangan Republik Indonesia (BPK RI) menerbitkan Laporan Hasil Pemeriksaan dengan tujuan tertentu subsidi listrik tahun anggaran 2016 No.37A/AUDITAMA VII/PD TT/08/2017 yang menetapkan bahwa hasil audit perhitungan subsidi listrik tahun 2016 adalah sebesar Rp58.043.265. Berdasarkan telaah manajemen, fakta tersebut merupakan peristiwa yang berpengaruh terhadap laporan keuangan untuk tahun yang berakhir 31 Desember 2016, sehingga manajemen memutuskan untuk menerbitkan kembali laporan keuangan konsolidasian Perusahaan tanggal 31 Desember 2016 dan untuk tahun yang berakhir pada tanggal tersebut sebagaimana dijelaskan dalam Catatan 58 atas laporan keuangan konsolidasian terlampir. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

Other matter

Prior to this report, we have issued an independent auditors' report No. R-1/234.AGA/sat.1/2017 dated April 26, 2017 on the Company's consolidated financial statements as of December 31, 2016 and for the year then ended with an unmodified opinion. Referring to the Letter of the Minister of Energy and Mineral Resources (ESDM) dated May 8, 2017 on the realization of the Company's electricity transmission losses, on August 31, 2017 the Supreme Audit Board of the Republic of Indonesia (BPK RI) has issued an audit report on the specific purpose of electricity subsidy for fiscal year 2016 No.37A/AUDITAMA VII/PD TT/08/2017 which determined that the audit result of electricity subsidy calculation in 2016 were amounted to Rp58,043,265. Based on the management's assessment, this fact is an event affecting the financial report for the year ended December 31, 2016, therefore the management has decided to reissue the Company's consolidated financial statements as of December 31, 2016 and for the year then ended as described in Note 58 to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Saptoto Agustomo

Nomor Izin Akuntan Publik: AP.0499/
Public Accountant License Number: AP.0499

Jakarta, 8 Januari / January 8, 2018

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

LAPORAN POSISI KEUANGAN KONSOLIDASIAN

31 Desember 2016 dan 2015

(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016 Rp	2015 Rp	
ASET				ASSETS
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Aset tetap	6	1,145,529,527	1,187,879,590	<i>Property, plant and equipment</i>
Properti investasi	7	1,325,297	1,000,974	<i>Investment properties</i>
Investasi pada entitas asosiasi	8	1,980,118	1,645,413	<i>Investments in associates</i>
Investasi pada ventura bersama	8	1,849,864	1,529,285	<i>Investments in joint ventures</i>
Aset pajak tangguhan	47	9,882,003	29,088,271	<i>Deferred tax assets</i>
Piutang pihak berelasi	9	263,064	268,647	<i>Receivables from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	10	7,464,260	8,796,977	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	16	350,465	312,084	<i>Other receivables</i>
Aset tidak lancar lain	11	4,964,300	4,504,847	<i>Other non-current assets</i>
Jumlah Aset Tidak Lancar		1,173,608,898	1,235,026,088	Total Non-current Assets
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	12	41,909,223	23,596,339	<i>Cash and cash equivalents</i>
Investasi jangka pendek	13	374,771	120,059	<i>Short-term investments</i>
Piutang usaha				<i>Trade receivables</i>
Pihak berelasi	14	565,458	569,088	<i>Related parties</i>
Pihak ketiga	14	21,145,503	19,265,139	<i>Third parties</i>
Piutang subsidi listrik	15	12,446,110	17,501,009	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	16	2,411,384	481,681	<i>Other receivables</i>
Persediaan	17	11,569,596	11,415,863	<i>Inventories</i>
Pajak dibayar dimuka	18	7,206,530	5,265,445	<i>Prepaid taxes</i>
Biaya dibayar dimuka dan uang muka	19	898,039	1,058,501	<i>Prepaid expenses and advances</i>
Piutang pihak berelasi	9	36,548	71,669	<i>Receivables from related parties</i>
Aset lancar lain	55	5,915	--	<i>Other current assets</i>
Jumlah Aset Lancar		98,569,077	79,344,793	Total Current Assets
JUMLAH ASET		1,272,177,975	1,314,370,881	TOTAL ASSETS

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
(Lanjutan)**

31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)**

December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

	<u>Catatan/ Notes</u>	<u>2016 Rp</u>	<u>2015 Rp</u>	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
EKUITAS				EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk				Equity attributable to owners of the Parent
Modal saham - nilai nominal Rp1 per saham				Capital stock - par value of Rp1 per share
Modal dasar - masing-masing 204.000.000 saham dan 63.000.000 saham per 31 Desember 2016 dan 2015				Authorized - 204,000,000 shares and 63,000,000 shares as of December 31, 2016 and 2015, respectively
Modal ditempatkan dan disetor penuh- masing-masing 55.666.007 saham dan 46.197.380 saham per 31 Desember 2016 dan 2015				Subscribed and paid-up 55,666,007 shares and 46,197,380 shares as of December 31, 2016 and 2015, respectively
Tambahan modal disetor	20	55,666,007	46,197,380	Additional paid-in capital
Penyertaan Modal Negara dalam proses penerbitan saham	21	21,797,016	49,707,027	Stock subscription from Government in issuance process
Saldo laba				Retained earnings
Ditentukan penggunaannya	21	54,160,519	9,468,627	Appropriated
Tidak ditentukan penggunaannya	20	40,304,040	26,872,493	Unappropriated
Penghasilan komprehensif lain	20	77,194,942	41,222,131	Other comprehensive income
Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk		<u>878,282,467</u>	<u>804,709,383</u>	Equity attributable to owners of the Parent
Kepentingan nonpengendali		116,990	81,234	Non-controlling interests
Jumlah Ekuitas		<u>878,399,457</u>	<u>804,790,617</u>	Total Equity
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan	47	59,725	5,475	Deferred tax liabilities
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun				Long-term liabilities - net of current portion
Penerusan pinjaman	23	29,133,756	29,205,236	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan				Government and non-bank Government financial institution loans
Pemerintah non-bank	24	7,257,810	8,194,693	
Utang sewa pembiayaan	25	17,933,075	149,621,763	Lease liabilities
Utang bank	26	100,362,498	77,828,870	Bank loans
Utang obligasi dan sukuk ijarah	27	68,824,683	80,043,338	Bonds payable and sukuk ijarah
Utang listrik swasta	28	7,315,422	7,093,280	Electricity purchase payable
Utang pihak berelasi	29	2,301	2,566	Payable to related parties
Liabilitas imbalan kerja	49	41,110,112	37,378,472	Employee benefits liabilities
Utang lain-lain	31	155,781	67,678	Other payables
Jumlah Liabilitas Jangka Panjang		<u>272,155,163</u>	<u>389,441,371</u>	Total Non-current Liabilities

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN KONSOLIDASIAN
(Lanjutan)**

31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)**

December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

	<u>Catatan/ Notes</u>	<u>2016 Rp</u>	<u>2015 Rp</u>	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang usaha				Trade payables
Pihak berelasi	30	7,772,693	8,910,438	Related parties
Pihak ketiga	30	22,419,391	17,715,563	Third parties
Utang pajak	32	1,950,946	15,131,857	Taxes payable
Biaya masih harus dibayar	33	10,644,559	10,627,055	Accrued expenses
Uang jaminan langganan	34	12,049,554	11,324,898	Customers' security deposits
Utang biaya proyek	35	384,739	1,113,825	Project cost payable
Pendapatan ditangguhkan	22	1,147,227	1,533,703	Deferred revenue
Utang jangka panjang jatuh tempo dalam satu tahun				Current maturities of long-term liabilities
Penerusan pinjaman	23	2,562,332	2,505,347	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan				Government and non-bank Government financial
Pemerintah non-bank	24	1,043,793	293,793	institution loans
Utang sewa pembiayaan	25	3,789,317	6,759,138	Lease liabilities
Utang bank	26	26,394,780	11,752,458	Bank loans
Utang obligasi dan sukuk ijarah	27	9,568,000	9,122,350	Bonds payable and sukuk ijarah
Utang listrik swasta	28	328,683	311,196	Electricity purchase payable
Liabilitas imbalan kerja	49	3,494,487	2,848,664	Employee benefits liabilities
Utang lain-lain	31	18,072,854	20,188,608	Other payables
Jumlah Liabilitas Jangka Pendek		121,623,355	120,138,893	Total Current Liabilities
JUMLAH LIABILITAS		393,778,518	509,580,264	TOTAL LIABILITIES
JUMLAH EKUITAS DAN LIABILITAS		1,272,177,975	1,314,370,881	TOTAL EQUITY AND LIABILITIES

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the Years Ended
December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

	<u>Catatan/ Notes</u>	<u>2016 Rp</u>	<u>2015 Rp</u>	
PENDAPATAN USAHA				REVENUES
Penjualan tenaga listrik	36	214,139,834	209,844,541	<i>Sale of electricity</i>
Penyambungan pelanggan	22	7,052,136	6,141,335	<i>Customer connection fees</i>
Lain-lain	38	<u>1,629,986</u>	<u>1,361,114</u>	<i>Others</i>
Jumlah Pendapatan Usaha		<u>222,821,956</u>	<u>217,346,990</u>	<i>Total Revenues</i>
BEBAN USAHA				OPERATING EXPENSES
Bahan bakar dan pelumas	39	109,492,383	138,408,315	<i>Fuel and lubricants</i>
Pembelian tenaga listrik	40	59,729,390	4,420,859	<i>Purchased electricity</i>
Sewa	41	6,545,114	8,065,522	<i>Lease</i>
Pemeliharaan	42	21,226,736	21,861,310	<i>Maintenance</i>
Kepegawaian	43	22,659,965	20,321,137	<i>Personnel</i>
Penyusutan	6	27,512,150	25,406,856	<i>Depreciation</i>
Lain-lain	44	<u>7,284,064</u>	<u>7,090,077</u>	<i>Others</i>
Jumlah Beban Usaha		<u>254,449,802</u>	<u>225,574,076</u>	<i>Total Operating Expenses</i>
RUGI USAHA SEBELUM SUBSIDI		<u>(31,627,846)</u>	<u>(8,227,086)</u>	OPERATING LOSS BEFORE SUBSIDY
Subsidi listrik Pemerintah	37	<u>58,043,265</u>	<u>56,552,532</u>	<i>Government's electricity subsidy</i>
LABA USAHA SETELAH SUBSIDI		<u>26,415,419</u>	<u>48,325,446</u>	OPERATING INCOME AFTER SUBSIDY
Penghasilan lain-lain - bersih	46	1,092,366	2,437,066	<i>Other income - net</i>
Keuntungan (kerugian) kurs mata uang asing - bersih		4,195,210	(27,326,131)	<i>Gain (loss) on foreign exchange - net</i>
Penghasilan keuangan		578,507	627,412	<i>Financial income</i>
Beban keuangan	45	<u>(18,703,276)</u>	<u>(39,977,228)</u>	<i>Financial cost</i>
LABA (RUGI) SEBELUM PAJAK		<u>13,578,226</u>	<u>(15,913,435)</u>	INCOME (LOSS) BEFORE TAX
MANFAAT (BEBAN) PAJAK	47	<u>(5,427,843)</u>	<u>21,939,942</u>	TAX BENEFIT (EXPENSES)
LABA TAHUN BERJALAN		<u>8,150,383</u>	<u>6,026,507</u>	INCOME FOR THE YEAR

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN (Lanjutan)**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Continued)**

For the Years Ended
December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016 Rp	2015 Rp	
LABA TAHUN BERJALAN		8,150,383	6,026,507	INCOME FOR THE YEAR
Penghasilan komprehensif lain tahun berjalan				Other comprehensive income for the year
Pos-pos yang akan direklasifikasi ke laba rugi				<i>Items that might be reclassified subsequently to profit or loss</i>
Bagian penghasilan (beban) komprehensif lain dari entitas asosiasi dan ventura bersama		(9,313)	36,978	<i>Share of Other Comprehensive Income (expense) from associates and joint ventures</i>
Pos-pos yang tidak akan direklasifikasi ke laba rugi				<i>Items that will not be reclassified to profit or loss</i>
Surplus revaluasi aset tetap		2,287	653,441,219	<i>Property, plant and equipment revaluation surplus</i>
Pengukuran kembali atas program imbalan pasti		(2,766,341)	6,120,608	<i>Remeasurement on defined benefit plans</i>
Manfaat (beban) pajak terkait		691,585	(16,865,984)	<i>Related income tax benefits (expenses)</i>
Penghasilan (beban) komprehensif lain tahun berjalan setelah pajak		(2,081,782)	642,732,821	Other comprehensive (expenses) income for the year after tax
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		6,068,601	648,759,328	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
Laba tahun berjalan diatribusikan kepada:				<i>Income for the year attributable to:</i>
Pemilik entitas induk		8,113,656	6,010,568	<i>Owners of the parent</i>
Kepentingan nonpengendali		36,727	15,939	<i>Non-controlling interest</i>
Jumlah		8,150,383	6,026,507	Total
Total penghasilan komprehensif tahun berjalan diatribusikan kepada:				<i>Total comprehensive income for the year attributable to:</i>
Pemilik entitas induk		6,031,874	648,743,389	<i>Owners of the parent</i>
Kepentingan nonpengendali		36,727	15,939	<i>Non-controlling interest</i>
Jumlah		6,068,601	648,759,328	Total
LABA PER SAHAM DASAR (Dalam Rupiah penuh)	48	150,009	130,106	BASIC EARNINGS PER SHARE (In Rupiah full amount)

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

The accompanying notes form an integral part of these consolidated financial statements as a whole

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN

Untuk Tahun-tahun yang Berakhir pada tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Subscribed and paid-up capital	Penyertaan Modal Negara dalam proses penerbitan saham/ Stock subscription from Government in issuance process	Tambah modal disetor/ Additional paid-in capital	Saldo laba/ Retained earnings	Surplus revaluasi aset tetap/ Property, plant and equipment revaluation surplus	Penghasilan komprehensif lain/ Other comprehensive income		Jumlah ekuitas/ Total equity	Rp
						Pengukuran kembali atas program imbalan pensiun/ Remeasurement on defined benefit plans	Bagian penghasilan komprehensif lain dari entitas asosiasi dan ventura bersama/ Share of other comprehensive income from associates and joint ventures		
Saldo per 1 Januari 2015	46,197,380	--	52,496,893	19,108,528	46,937,969	--	155,249,674	54,141	153,303,815
Reklasifikasi dari tambahan modal di setor	--	4,468,627	(4,468,627)	--	--	--	--	--	--
Penambahan modal tahun berjalan	21	5,000,000	1,678,761	--	--	--	6,678,761	12,154	6,690,915
Cadangan umum tahun berjalan	20	--	--	7,763,965	(7,763,965)	--	--	--	--
Dividen	20	--	--	--	(3,962,441)	--	--	(1,000)	(3,963,441)
Jumlah penghasilan komprehensif tahun berjalan	--	--	--	6,010,568	638,105,386	4,590,457	648,743,389	15,939	648,759,328
Saldo per 31 Desember 2015	46,197,380	9,468,627	49,707,027	26,872,493	41,222,131	36,978	804,709,383	81,234	804,790,617
Penyesuaian berkaitan dengan penerapan POJK No.6 - bersih disesuaikan	2.a	--	--	--	43,428,454	--	43,428,454	--	43,428,454
Saldo per 1 Januari 2016,	46,197,380	9,468,627	49,707,027	26,872,493	84,650,585	638,105,386	848,137,837	81,234	848,219,071
Reklasifikasi dari tambahan modal di setor	21	9,468,627	(9,468,627)	--	--	--	--	--	--
Penambahan modal tahun berjalan	21	--	23,560,000	--	--	--	26,156,131	--	26,156,131
Cadangan umum tahun berjalan	20	--	--	13,431,547	(13,431,547)	--	--	--	--
Selisih antara aset dan liabilitas pengampunan pajak	21	--	--	--	--	--	94,377	127	94,504
Dividen	20	--	--	--	(2,137,752)	--	(2,137,752)	(1,098)	(2,138,850)
Jumlah penghasilan komprehensif tahun berjalan	--	--	--	8,113,656	2,287	(2,074,756)	6,031,874	36,727	6,068,601
Saldo per 31 Desember 2016	55,666,007	54,160,519	21,797,016	40,304,040	77,194,942	638,107,673	878,282,467	116,990	878,399,457

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

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**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

LAPORAN ARUS KAS KONSOLIDASIAN

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended
December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

	2016 Rp	2015 Rp	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	220,970,461	219,257,343	Cash receipts from customers
Pembayaran kas kepada pemasok	(200,943,180)	(178,049,789)	Cash paid to suppliers
Pembayaran kas kepada karyawan	(20,370,584)	(17,325,869)	Cash paid to employees
Kas diperoleh dari (digunakan untuk) aktivitas operasi	(343,303)	23,881,685	Cash provided by (used in) operations
Penerimaan subsidi listrik	49,568,244	55,332,384	Government subsidy received
Penerimaan bunga	578,507	627,412	Interest received
Pembayaran bunga	(18,285,840)	(37,708,595)	Interest expense paid
Pembayaran biaya transaksi pinjaman	--	(166,719)	Transaction cost paid
Penerimaan restitusi pajak penghasilan	--	2,258,070	Income tax restitution received
Pembayaran pajak revaluasi aset tetap	--	(3,145,210)	Tax paid on revaluation of property, plant and equipment
Pembayaran pajak penghasilan	(1,927,652)	(3,789,944)	Income tax paid
Pembayaran pengampunan pajak	(1,896)	--	Payment of tax amnesty
Kas bersih diperoleh dari aktivitas operasi	29,588,060	37,289,083	Net cash provided by operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tidak digunakan dalam operasi	27,705	9,285	Proceeds from sale of assets not used in operations
Perolehan aset tetap	(55,800,543)	(36,365,403)	Addition of property, plant and equipment
Perolehan dividen dari entitas asosiasi dan ventura bersama	207,875	161,006	Proceeds from dividend of associates and joint ventures
Perolehan investasi pada entitas asosiasi dan ventura bersama	(381,767)	(16,739)	Acquisition of investments in associates and joint ventures
Penerimaan kembali dari pinjaman kepada pihak berelasi	33,111	85,601	Receipt of payments from loans to related parties
Pembayaran kembali atas pinjaman kepada pihak berelasi - bersih	(265)	(18,700)	Repayments of loans from related parties - net
Penarikan (penempatan) rekening bank dan deposito berjangka dibatasi penggunaannya	1,368,632	(2,132,994)	Withdrawal (placement) of restricted cash in banks and time deposits
Penempatan investasi jangka pendek	(254,712)	(19,363)	Placement of short-term investments
Kas bersih digunakan untuk aktivitas investasi	(54,799,964)	(38,297,307)	Net cash used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Perolehan penyertaan modal Pemerintah dalam proses penerbitan saham	23,560,000	5,000,000	Proceeds from Government for stock subscription in issuance process
Pembayaran dividen	(2,137,752)	(3,962,441)	Payment of dividends
Pembayaran dividen kepada pihak non pengendali	(1,098)	(1,000)	Payment of dividends to non controlling interest
Pembayaran penerusan pinjaman	(2,594,441)	(2,819,345)	Payment of two-step loans
Pembayaran utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank	(293,793)	(293,793)	Payment of Government and non-bank Government financial institution loans
Perolehan utang bank - jangka pendek	34,500,000	28,123,417	Proceeds from bank loans - short term
Perolehan utang bank - jangka panjang	36,341,659	15,402,244	Proceeds from bank loans - long term
Pembayaran utang bank - jangka pendek	(21,000,000)	(28,123,417)	Payment of bank loans - short term
Pembayaran utang bank - jangka panjang	(11,629,553)	(9,909,154)	Payment of bank loans - long term
Pembayaran utang obligasi	(9,122,350)	(805,000)	Payment of bonds payable
Pembayaran utang sewa pembiayaan	(3,705,740)	(5,190,273)	Payments of lease liabilities
Pembayaran utang listrik swasta	(321,879)	(290,798)	Payments of electricity purchase payable
Kas bersih diperoleh dari (digunakan untuk) aktivitas pendanaan	43,595,053	(2,869,560)	Net cash provided by (used in) financing activities
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS	18,383,149	(3,877,784)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
Pengaruh perubahan kurs mata uang asing	(70,265)	362,595	Effect of changes in foreign currency
KAS DAN SETARA KAS AWAL TAHUN	23,596,339	27,111,528	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR
KAS DAN SETARA KAS AKHIR TAHUN	41,909,223	23,596,339	CASH AND CASH EQUIVALENTS AT END OF THE YEAR

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

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**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

For the Years Ended
December 31, 2016 and 2015
(In millions of Rupiah, unless otherwise stated)

1. Umum

a. Pendirian dan Informasi Umum

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" atau "Perusahaan") didirikan pada tahun 1961 dalam bentuk Jawatan di dalam lingkungan Kementerian Pekerjaan Umum dan Tenaga. Perusahaan merupakan kelanjutan usaha beberapa perusahaan listrik Belanda yang diambil alih oleh Pemerintah Republik Indonesia ("Pemerintah"). Perusahaan listrik Belanda tersebut meliputi: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM dan NV WEMI. Berdasarkan Peraturan Pemerintah No. 19 tahun 1965, status Perusahaan berubah menjadi perusahaan yang berbadan hukum. Selanjutnya ditetapkan menjadi Perusahaan Umum (Perum) berdasarkan Peraturan Pemerintah No. 30 tahun 1970 yang dipertegas dengan Peraturan Pemerintah No. 18 tahun 1972. Kemudian berdasarkan akta No. 169 tanggal 30 Juli 1994 dari Sutjipto, S.H., notaris di Jakarta, status badan hukum Perusahaan berubah menjadi Perseroan Terbatas dengan nama Perusahaan Perseroan PT Perusahaan Listrik Negara disingkat PT PLN (Persero). Akta perubahan ini disahkan dengan Keputusan Menteri Kehakiman No. C2-11.519.HT.01.01.Th.94 tanggal 1 Agustus 1994, serta diumumkan dalam Berita Negara Republik Indonesia No. 73 tanggal 13 September 1994, Tambahan No.6731.

Anggaran dasar Perusahaan terakhir diubah berdasarkan akta No. 12 tanggal 22 Februari 2016 dari Lenny Janis Ishak, S.H., notaris di Jakarta, dalam rangka perubahan pasal 4 ayat 2 tentang peningkatan modal ditempatkan dan disetor. Akta perubahan ini telah diterima dan dicatat di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-AH.01.03-0029081 tanggal 7 Maret 2016.

Perusahaan berdomisili di Jakarta dan memiliki 52 unit pelaksana yang tersebar di wilayah Indonesia. Kantor Pusat Perusahaan beralamat di Jl. Trunojoyo Blok M I No. 135, Jakarta.

1. General

a. Establishment and General Information

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" or the "Company") was established in 1961 as a unit of the Ministry of Energy and Public Works. The Company is a business continuation of several Dutch electricity companies which have been taken over by the Government of the Republic of Indonesia ("the Government"). The Dutch electricity companies include among others: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM and NV WEMI. Based on Government Regulation No. 19 year 1965, the Company's status was changed to that of a legal entity. Subsequently, based on Government Regulation No. 30 year 1970, as amended by Government Regulation No. 18 year 1972, the Company became a Perusahaan Umum (Perum). Based on the notarial deed of Sutjipto, S.H., notary in Jakarta, No. 169 dated July 30, 1994, the Company's status was changed to Limited Liability Company and it was named Perusahaan Perseroan PT Perusahaan Listrik Negara or PT PLN (Persero). This change was approved by the Minister of Justice in his decision letter No. C2-11.519.HT.01.01.Th.94 dated August 1, 1994 and was published in State Gazette of the Republic of Indonesia No. 73 dated September 13, 1994, Supplement No.6731.

The articles of association of the Company were recently amended by notarial deed No. 12 dated February 22, 2016 of Lenny Janis Ishak, S.H., notary in Jakarta, in accordance with article 4 section (2) regarding the increase in the subscribed and paid-up capital. This change was received and recorded in the Ministry of Law and Human Rights of the Republic of Indonesia with letter No. AHU-AH.01.03-0029081 dated March 7, 2016.

The Company is domiciled in Jakarta, with 52 business unit offices spread all over Indonesia. The Company's head office is located at Jl. Trunojoyo Blok M I No. 135, Jakarta.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

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Sesuai dengan pasal 3 anggaran dasar Perusahaan, maksud dan tujuan Perusahaan adalah untuk menyelenggarakan usaha penyediaan tenaga listrik bagi kepentingan umum dalam jumlah dan mutu yang memadai serta memupuk keuntungan dan melaksanakan penugasan Pemerintah di bidang ketenagalistrikan dalam rangka menunjang pembangunan dengan menerapkan prinsip-prinsip Perseroan Terbatas.

Sesuai dengan Undang-Undang No. 19 tahun 2003 tentang "Badan Usaha Milik Negara ("BUMN")", Pemerintah wajib memberikan kompensasi atas semua biaya yang telah dikeluarkan oleh BUMN termasuk margin yang diharapkan kepada BUMN yang diberikan penugasan khusus. Perusahaan merupakan BUMN yang sedang melaksanakan penugasan khusus berupa penyediaan tenaga listrik bersubsidi kepada masyarakat (Catatan 37).

Pada tanggal 31 Desember 2016 dan 2015, jumlah karyawan Perusahaan dan entitas anak masing-masing 51.158 karyawan (tidak diaudit) dan 47.594 karyawan (tidak diaudit). Jumlah karyawan tidak termasuk karyawan dari PT Haleyora Powerindo yang bergerak dibidang jasa tenaga kerja. PT Haleyora Powerindo adalah entitas anak dari PT Haleyora Power, entitas anak Perusahaan.

b. Penawaran Umum Efek Utang Perusahaan

Perusahaan telah beberapa kali menerbitkan Obligasi dan Surat Utang PLN, sebagai berikut:

In accordance with article 3 of the Company's articles of association, the scope of its activities is to run an electricity business for public use, which must be satisfactory both in quantity and quality and also to earn profit and perform Government's assignment in electricity business in order to support the development with the application of the principles of Limited Liability Companies.

Based on Law No. 19 year 2003, regarding "State-Owned Enterprises ("SOE")", the Government is obliged to provide compensation to these SOE, which were appointed to perform special assignments, for all expenses which they have incurred, including expected return (margin). The Company is a BUMN, which performs a special assignment of providing subsidized electricity to the public (Note 37).

As of December 31, 2016 and 2015 the Company and its subsidiaries had a total number of employees of 51,158 (unaudited) and 47,594 (unaudited), respectively. The total employees do not include employees of PT Haleyora Powerindo whose nature of business is manpower services. PT Haleyora Powerindo is a subsidiary of PT Haleyora Power, the Company's subsidiary.

b. The Company's Public Offering of Bonds

The Company has issued several PLN Bonds and Notes, as follows:

	Tanggal Efektif/ Effective Date	Bursa Pencatatan/ Listed In *	Tanggal Pencatatan/ Listed Date	Jumlah yang Ditawarkan/ Offered Amount Rp	
Obligasi Rupiah					Rupiah Bonds
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	11 Desember 2013/ December 11, 2013	1,244,000	Sustainable Bonds I PLN II Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	11 Desember 2013/ December 11, 2013	429,000	Sustainable Sukuk Ijarah I PLN II Year 2013
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	8 Juli 2013/ July 8, 2013	879,000	Sustainable Bonds I PLN I Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	8 Juli 2013/ July 8, 2013	121,000	Sustainable Sukuk Ijarah I PLN I Year 2013
Obligasi PLN XII Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia stock exchange	9 Juli 2010/ July 9, 2010	2,500,000	PLN XII Bonds Year 2010
Sukuk Ijarah PLN V Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia stock exchange	9 Juli 2010/ July 9, 2010	500,000	Sukuk Ijarah PLN V Year 2010
Obligasi PLN XI Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia stock exchange	13 Januari 2010/ January 13, 2010	2,703,000	PLN XI Bonds Year 2010

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Obligasi Rupiah (Lanjutan)					<i>Rupiah Bonds (Continued)</i>
Sukuk Ijarah PLN IV Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia stock exchange	13 Januari 2010/ January 13, 2010	297,000	Sukuk Ijara PLN IV Year 2010
Obligasi PLN X Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia stock exchange	12 Januari 2009/ January 12, 2009	1,440,000	PLN X Bonds Year 2009
Sukuk Ijarah PLN III Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia stock exchange	12 Januari 2009/ January 12, 2009	760,000	Sukuk Ijara PLN III Year 2009
Obligasi PLN IX Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Surabaya/ Surabaya Stock Exchange	11 Juli 2007/ July 11, 2007	2,700,000	PLN IX Bonds Year 2007
Sukuk Ijarah PLN II Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Surabaya/ Surabaya Stock Exchange	11 Juli 2007/ July 11, 2007	300,000	Sukuk Ijara PLN II Year 2007
Obligasi PLN VIII Tahun 2006	June 12, 2006/ June 12, 2006	Bursa Efek Surabaya/ Surabaya Stock Exchange	22 Juni 2006/ June 22, 2006	2,200,100	PLN VIII Bonds Year 2006
Sukuk Ijarah PLN I Tahun 2006	June 12, 2006/ June 12, 2006	Bursa Efek Surabaya/ Surabaya Stock Exchange	22 Juni 2006/ June 22, 2006	200,000	Sukuk Ijara PLN I Year 2006
Obligasi PLN VII Tahun 2004	3 November 2004/ November 3, 2004	Bursa Efek Surabaya/ Surabaya Stock Exchange	12 November 2004/ November 12, 2004	1,500,000	PLN VII Bonds Year 2004
Obligasi PLN VI Tahun 1997	27 Juni 1997/ June 27, 1997	Bursa Efek Surabaya/ Surabaya Stock Exchange	12 Agustus 1997/ August 12, 1997	600,000	PLN VI Bonds Year 1997
Obligasi PLN V Tahun 1996	28 Juni 1996/ June 28, 1996	Bursa Efek Surabaya/ Surabaya Stock Exchange	28 Agustus 1996/ August 28, 1996	1,000,000	PLN V Bonds Year 1996
Obligasi PLN IV Tahun 1995	30 Juni 1995/ June 30, 1995	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	4 September 1995/ September 4, 1995	680,000	PLN IV Bonds Year 1995
Obligasi PLN III Tahun 1995	30 Januari 1995/ January 30, 1995	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	18 April 1995/ April 18, 1995	318,430	PLN III Bonds Year 1995
Obligasi PLN IITahun 1993	28 September 1993/ September 28, 1993	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	8 November 1993/ November 8, 1993	600,000	PLN II Bonds Year 1993
Obligasi PLN I Tahun 1992	25 September 1992/ September 25, 1992	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	10 November 1992/ November 10, 1992	300,000	PLN I Bonds Year 1992
Jumlah				21,271,530	Total

*) Pada tanggal 22 Juli 1995 Bursa Paralel Indonesia diakuisisi oleh Bursa Efek Surabaya. Pada tanggal 20 Oktober 2007 Bursa Efek Surabaya melakukan merger dengan melebur kedalam Bursa Efek Jakarta yang selanjutnya berganti nama menjadi Bursa Efek Indonesia.

*) On July 22, 1995 Indonesia Parallel Exchange was acquired by Surabaya Stock Exchange. On October 30, 2007 Surabaya Stock Exchange was officially merged to Jakarta Stock Exchange, which then changed its name to Indonesia Stock Exchange.

	<u>Tanggal Efektif/ Effective Date</u>	<u>Bursa Pencatatan/ Listed In</u>	<u>Tanggal Pencatatan/ Listed Date</u>	<u>Jumlah yang Ditawarkan/ Offered Amount US\$ *)</u>	
Surat Utang Jangka Menengah Global					<i>Global Medium Term Notes</i>
Penerbitan tahun 2012	16 Oktober 2012/ October 16, 2012	Bursa Efek Singapura/ Singapore Stock Exchange	25 Oktober 2012/ October 25, 2012	1,000,000,000	Issued in 2012
Penerbitan tahun 2011	15 November 2011/ November 15, 2011	Bursa Efek Singapura/ Singapore Stock Exchange	23 November 2011/ November 23, 2011	1,000,000,000	Issued in 2011
Jumlah				2,000,000,000	Total

*) dalam jumlah penuh/ in full amount

Majapahit Holding B.V., Belanda, entitas anak yang bertujuan khusus yang sepenuhnya milik Perusahaan, menerbitkan Obligasi Terjamin, sebagai berikut:

Majapahit Holding B.V., Netherlands, a wholly-owned special-purpose subsidiary of the Company, issued Guaranteed Notes, as follows:

	<u>Tanggal Efektif/ Effective Date</u>	<u>Bursa Pencatatan/ Listed In</u>	<u>Tanggal Pencatatan/ Listed Date</u>	<u>Jumlah yang Ditawarkan/ Offered Amount US\$ *)</u>	
Obligasi Terjamin					<i>Guaranteed Notes</i>
Penerbitan 2009	30 Oktober 2009/ October 30, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	11 Agustus 2009/ August 11, 2009	750,000,000	Issued in 2009
Penerbitan 2009	3 Agustus 2009/ August 3, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	9 November 2009/ November 9, 2009	1,250,000,000	Issued in 2009
Penerbitan 2007	21 Juni 2007/ June 21, 2007	Bursa Efek Singapura/ Singapore Stock Exchange	29 Juni 2007/ June 29, 2007	1,000,000,000	Issued in 2007
Penerbitan 2006	11 Oktober 2006/ October 11, 2006	Bursa Efek Singapura/ Singapore Stock Exchange	17 Oktober 2006/ October 17, 2006	1,000,000,000	Issued in 2006
Jumlah				4,000,000,000	Total

*) dalam jumlah penuh/ in full amount

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c. Susunan Pengurus dan Informasi Lain
Pada tanggal 31 Desember 2016 dan
2015, susunan pengurus Perusahaan
adalah sebagai berikut:

c. Management and Other Information
As of December 31, 2016 and December
31, 2015, the Company's management
consists of the following:

	2016	2015	
<u>Dewan Komisaris</u>			<u>Board of Commissioners</u>
Komisaris Utama	--	Kuntoro Mangkusubroto	President Commissioner
Pelaksana Tugas Komisaris Utama	Hasan Bisri	--	Task Executor President Commissioner
Komisaris	Harry Susetyo Nugroho Jarman Hasan Bisri Budiman Aloysius Kiik Ro	Andin Hadiyanto Harry Susetyo Nugroho Jarman Hasan Bisri Budiman Aloysius Kiik Ro	Commissioners
Komisaris Independen	Oegroseno Darmono	Oegroseno Darmono	Independent Commissioners
<u>Dewan Direksi</u>			<u>Board of Directors</u>
Direktur Utama/ President Director	Sofyan Basir	Sofyan Basir	Direktur Utama/ President Director
Direktur/Director	Sarwono Sudarto Nasri Sebayang	Sarwono Sudarto Nasri Sebayang	President Commissioner Keuangan/ Finance
Direktur/Director	Murtaqi Syamsuddin	Murtaqi Syamsuddin	Bisnis Regional Jawa Bagian Tengah/ Regional Business of Central Side of Java
Direktur/Director	Supangkat Iwan Santoso Amir Rosidin	Supangkat Iwan Santoso Amir Rosidin	Bisnis Regional Jawa Bagian Barat/ dan Lampung/ Regional Business of West Part of Java and Lampung
Direktur/Director	Nicke Widyawati Amin Subekti	Nicke Widyawati Amin Subekti	Pengadaan/Procurement Bisnis Regional Sumatera/ Regional Business of Sumatera
Direktur/Director	Muhamad Ali	Muhamad Ali	Perencanaan Korporat/ Corporate Planning Bisnis Regional Jawa Bagian Timur dan Bali/ Regional Business of East Side of Java and Bali
Direktur/Director	Djoko Rahardjo Abu Manan	Djoko Rahardjo Abu Manan	Human Capital Manajemen/ Human Capital Management
Direktur/Director	Machnizon	Machnizon	Bisnis Regional Kalimantan/ Regional Business of Kalimantan
Direktur/Director	Haryanto W.S.	Haryanto W.S.	Bisnis Regional Sulawesi dan Nusa Tenggara/ Regional Business of Sulawesi and South East Nusa Bisnis Regional Maluku dan Papua/ Regional Business of Maluku and Papua
<u>Komite Audit</u>			<u>Audit Committee</u>
Ketua	Darmono	Darmono	Chairman
Anggota	Hasan Bisri Sugeng Rochadi Achmad Wahyudi	Andin Hadiyanto Hasan Bisri Joseph Suardi Sabda Sugeng Rochadi Aidil Yuzar	Members
<u>Sekretaris Perusahaan</u>			<u>Corporate Secretary</u>
Sekretaris Perusahaan	--	Adi Supriono	Corporate Secretary
Pelaksana Tugas Sekretaris Perusahaan	Bambang Dwiyanto	--	Task Executor Corporate Secretary

Berdasarkan Surat Keputusan ("SK")
Menteri Badan Usaha Milik Negara
("BUMN") Republik Indonesia
No. SK-179/MBU/2013 tanggal
8 Maret 2013, Murtaqi Syamsuddin
diangkat sebagai Direktur Perusahaan.

*Based on the Decision Letter of the
Minister of State-Owned Enterprise
("MSOE") of the Republic of Indonesia
No. SK-179/MBU/2013 dated March 8,
2013, Murtaqi Syamsuddin was appointed
as the Company's Director.*

Berdasarkan SK Menteri BUMN Republik
Indonesia No. SK-211/MBU/10/2014
tanggal 16 Oktober 2014, Oegroseno dan
Darmono diangkat sebagai Komisaris
Independen.

*Based on the Decision Letter of the MSOE
of the Republic of Indonesia
No. SK-211/MBU/10/2014 dated October
16, 2014, Oegroseno and Darmono were
appointed as Independent Commissioners.*

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Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-272/MBU/12/2014 tanggal 23 Desember 2014, Sofyan Basir diangkat sebagai Direktur Utama Perusahaan dan Sarwono Sudarto, Nasri Sebayang, Supangkat Iwan Santoso, Amir Rosidin, Nicke Widyawati dan Amin Subekti diangkat sebagai direktur Perusahaan.

Berdasarkan SK Menteri BUMN Republik Indonesia No. KEP-273/MBU/12/2014 tanggal 23 Desember 2014 Hasan Bisri diangkat sebagai Komisaris.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-183/MBU/09/2015 tanggal 25 September 2015, Aloysius Kiik Ro diangkat sebagai Komisaris.

Berdasarkan SK Komisaris Perusahaan No. 198/SK/DK-PLN/2015 tanggal 16 Oktober 2015, pengangkatan Komite Audit Perusahaan yang terdiri dari Darmono sebagai Ketua Komite Audit, beserta Anggota Komite Audit yang terdiri dari Hasan Bisri, Sugeng Rohadi, Andin Hadiyanto, dan Aidil Yuzar. Di tahun 2016, Andin Hadiyanto telah habis masa jabatannya, sedangkan Aidil Yuzar digantikan oleh Achmad Wahyudi berdasarkan SK Komisaris Perusahaan No. 19/SK/DK-PLN/2016 tanggal 28 Juli 2016. Berdasarkan SK Komisaris Perusahaan No. 29/SK/DK-PLN/2015 tanggal 27 Agustus 2015, Joseph Suardi Sabda diangkat sebagai anggota Komite Audit Non Komisaris dengan status paruh waktu dan masa jabatannya habis pada tanggal 1 September 2016.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-211/MBU/10/2015 tanggal 30 Oktober 2015, Muhamad Ali, Djoko Rahardjo Abu Manan, Machnizon, dan Haryanto.W.S diangkat sebagai Direktur Perusahaan.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-223/MBU/11/2015 tanggal 10 November 2015, Kuntoro Mangkusubroto diangkat sebagai Komisaris Utama, dan Jarman diangkat sebagai komisaris.

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Based on the Decision Letter of the MSOE of the Republic of Indonesia SK-272/MBU/12/2014 dated December 23, 2014, Sofyan Basir was appointed as the Company's President Director and Sarwono Sudarto, Nasri Sebayang, Supangkat Iwan Santoso, Amir Rosidin, Nicke Widyawati and Amin Subekti were appointed as the Company's Directors.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. KEP-273/MBU/12/2014 dated December 23, 2014, Hasan Bisri was appointed as Commissioner.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-183/MBU/09/2015 dated September 25, 2015, Aloysius Kiik Ro was appointed as Commissioner.

Based on Decision Letter of the Company's Board of Commissioners No. 198/SK/DK-PLN/2015 dated October 16, 2015, the appointment of the Company's Audit Committee consist of Darmodo as the Chairman, and Members of the Audit Committee consist of Hasan Bisri, Sugeng Rohadi, Andin Hadiyanto, and Aidil Yuzar. In 2016, Andin Hadiyanto ended his term, while Aidil Yuzar was replaced by Achmad Wahyudi based on the Company's Board of Commissioners SK No. 19/SK/DK-PLN/2016 dated July 28, 2016. Based on Decision Letter of the Company's Board of Commissioners No. 29/SK/DP-PLN/2015, Joseph Suardi Sabda was appointed as part time Audit Committee Non Commissioner and his term ended on September 1, 2016.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-211/MBU/10/2015 dated October 30, 2015, Muhamad Ali, Djoko Rahardjo Abu Manan, Machnizon and Haryanto.W.S were appointed as the Company's Directors.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-223/MBU/11/2015 dated November 10, 2015, Kuntoro Mangkusubroto was appointed as President Commissioner, and Jarman was appointed as Commissioner.

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Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-106/MBU/05/2016 tanggal 24 Mei 2016, Hasan Bisri diangkat sebagai Pelaksana Tugas ("PLT") Komisaris Utama menggantikan Kuntoro Mangkusubroto.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-106/MBU/05/2016 dated May 24, 2016, Hasan Bisri was appointed as Task Executor ("TE") of President Commissioner to replace Kuntoro Mangkusubroto.

2. Penerapan Prinsip Akuntansi yang Berlaku Umum di Indonesia ("PABU")

2. Implementation of Indonesian Generally Accepted Accounting Principles ("GAAP")

a. Penerapan Peraturan Otoritas Jasa Keuangan No.6/POJK.04/2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik ("POJK No.6")

Perusahaan dan entitas anak mengadakan perjanjian jual beli tenaga listrik, yakni Perjanjian Jual Beli Tenaga Listrik ("PPA") dan Kontrak Penjualan Energi ("ESC"), dengan penyedia dan Pengembang Tenaga Listrik Swasta ("IPP"). IPP tersebut merupakan pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum, yang dapat diserahkan kepada entitas usaha lain dengan tanggung jawab untuk menghasilkan tenaga listrik guna kepentingan umum.

Sebelum 1 Januari 2016, Perusahaan dan entitas anak menerapkan ISAK 8: Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa ("ISAK 8") dalam mengevaluasi apakah PPA dan ESC dengan IPP mengandung unsur sewa (Catatan 3.I).

Pada tanggal 1 Maret 2017, Otoritas Jasa Keuangan ("OJK") menerbitkan POJK No.6 yang berlaku bagi Emiten dan Perusahaan Publik. Berdasarkan POJK No.6, transaksi berdasarkan perjanjian jual beli tenaga listrik diperlakukan sebagai transaksi jual beli, meskipun perjanjian jual beli tenaga listrik tersebut mengandung substansi selain jual beli. POJK No.6 berlaku secara prospektif untuk periode tahun buku yang dimulai sejak 1 Januari 2017 dan mengizinkan perlakuan lebih awal sejak 1 Januari 2016. POJK No.6 berlaku sampai akhir periode tahun buku berakhirnya penugasan untuk percepatan pembangunan infrastruktur ketenagalistrikan berdasarkan Peraturan Presiden.

a. Implementation of Financial Services Authority Regulation No.6/POJK.04/2017 regarding Accounting Treatment for Transactions Based on Power Purchase Agreements ("POJK No.6")

The Company and its subsidiaries entered into power purchase agreements namely Power Purchase Agreements ("PPA") and Energy Sales Contracts ("ESC"), with Independent Power Producers ("IPPs"). Those IPPs are holders of Electricity Business License for public use, which may be granted to other business entities with responsibility to generate electricity for public use.

Before January 1, 2016, the Company and its subsidiaries applied ISFAS 8: Determining Whether an Arrangement Contain a Lease ("ISFAS 8") in evaluating whether PPAs and ESCs with IPPs contain a lease (Note 3.I).

On March 1, 2017, Financial Services Authority ("FSA") issued POJK No.6 which is applicable for listed and public companies. Based on POJK No.6, transactions based on a power purchase agreement are treated as sale and purchase transactions, even though the power purchase agreements contain substances other than of a sale and purchase. POJK No.6 applies prospectively for the year beginning on January 1, 2017 and early implementation is allowed for the year beginning on January 1, 2016. POJK No.6 is valid until the end of the assignment on acceleration of electricity infrastructures development in accordance with Presidential Regulation.

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Perusahaan memutuskan untuk menerapkan lebih awal POJK No.6 secara prospektif sejak 1 Januari 2016. Oleh karena itu transaksi berdasarkan perjanjian jual beli tenaga listrik yang mengandung sewa (catatan 3.l), mulai 1 Januari 2016 disajikan sebagai pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain pada periode terjadinya. Pada tanggal 1 Januari 2016 Perusahaan dan entitas anak telah melakukan penyesuaian atas aset dan liabilitas terkait.

The Company decided to early implement POJK No.6 prospectively beginning on January 1, 2016. Therefore, the electricity sale and purchase transactions based on power purchase agreement which contains a lease (note 3.l), since January 1, 2016 are presented as purchased electricity in the statement of profit or loss and other comprehensive income when incurred. On January 1, 2016, the Company and its subsidiaries have adjusted the related assets and liabilities.

Jumlah bersih penyesuaian atas aset dan liabilitas terkait sebesar Rp43.428.454 telah dicatat sebagai penyesuaian saldo laba pada tanggal 1 Januari 2016, dengan rincian sebagai berikut:

The net adjustments on related assets and liabilities amounting to Rp43,428,454 are recorded as adjustment to retained earnings on January 1, 2016, the details of which are as follows:

	1 Januari sebelum penyesuaian/ January 1, Before adjustment 2016 Rp	Penyesuaian saldo awal/ Beginning balance adjustment Rp	1 Januari setelah penyesuaian/ January 1, after adjustment 2016 Rp	
Aset tetap	1,187,879,590	(72,227,600)	1,115,651,990	Property, plant and equipment
Aset pajak tangguhan	29,088,271	(14,787,769)	14,300,502	Deferred tax assets
	1,216,967,861	(87,015,369)	1,129,952,492	
				Non-current liabilities
Liabilitas jangka panjang				Electricity purchase payable
Utang listrik swasta	7,093,280	755,783	7,849,063	Lease Liabilities
Utang sewa pembiayaan	149,621,763	(128,065,144)	21,556,619	
				Current liabilities
Liabilitas jangka pendek				Lease liabilities
Utang sewa pembiayaan	6,759,138	(3,313,534)	3,445,604	Accrued expenses
Biaya masih harus dibayar	10,627,055	(2,216,084)	8,410,971	Electricity purchase payable
Utang listrik swasta	311,196	9,968	321,164	Trade payables
Utang usaha				Related parties
Pihak berelasi	8,910,438	380,409	9,290,847	Third parties
Pihak ketiga	17,715,563	1,998,142	19,713,705	Other payables
Utang lain-lain	20,188,608	6,637	20,195,245	
	221,227,041	(130,443,823)	90,783,218	
Dampak penerapan POJK No.6 terhadap saldo laba awal		43,428,454		The effect of POJK No.6 application on beginning retained earnings

Entitas anak yang memiliki transaksi berdasarkan perjanjian jual beli tenaga listrik, yaitu PT Pelayaran Listrik Nasional Batam ("PLN Batam") dan PT Indonesia Power ("IP"), bukan merupakan emiten atau perusahaan publik sehingga POJK No.6 tidak diterapkan oleh entitas anak tersebut.

The subsidiaries that have transactions based on power purchase agreement, namely PT Pelayaran Listrik Nasional Batam ("PLN Batam") and PT Indonesia Power ("IP"), who are not listed or public companies, therefore POJK No.6 is not applied for those subsidiaries.

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Untuk tujuan konsolidasi, laporan keuangan PLN Batam dan IP disesuaikan agar kebijakan akuntansi untuk transaksi berdasarkan perjanjian jual beli tenaga listrik sesuai dengan POJK No.6.

b. Penerapan Standar Akuntansi Keuangan (PSAK) Baru dan Revisi, serta Interpretasi Standar Akuntansi Keuangan (ISAK) yang berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2016

Pengesahan amandemen dan penyesuaian atas PSAK dan ISAK yang telah diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK-IAI") di tahun 2015 dan 2016, berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2016, adalah sebagai berikut:

Standar dan implementasi standar baru

- PSAK 70: Akuntansi Aset dan Liabilitas Pengampunan Pajak
- ISAK 30: Pungutan

Penyesuaian 2015

- PSAK 5: Segmen Operasi
- PSAK 7: Pengungkapan Pihak-pihak Berelasi
- PSAK 13: Properti Investasi
- PSAK 16: Aset Tetap

- PSAK 19: Aset Takberwujud
- PSAK 22: Kombinasi Bisnis
- PSAK 25: Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan
- PSAK 53: Pembayaran Berbasis Saham
- PSAK 68: Pengukuran Nilai Wajar
- PSAK 110: Akuntansi Sukuk

Amandemen

- PSAK 4: Laporan Keuangan Tersendiri tentang Metode Ekuitas dalam Laporan Keuangan Tersendiri
- PSAK 15: Investasi Pada Entitas Asosiasi dan Ventura Bersama tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- PSAK 16: Aset Tetap tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi

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For consolidation purposes, adjustments are made on the financial statements of PLN Batam and IP to bring their accounting policy for transactions based on power purchase agreement in accordance with POJK No.6.

b. New and Revised Statements of Financial Accounting Standard (SFAS) and Interpretations of Financial Accounting Standard (ISFAS) effective for the year beginning on or after January 1, 2016

Ratification of amendments and improvements of SFAS and ISFAS issued by the Financial Accounting Standard Board ("DSAK-IAI") in 2015 and 2016, effective for the year beginning on or after January 1, 2016, are as follows:

New standards and implementation of standards

- SFAS 70: Accounting for Tax Amnesty Assets and Liabilities
- ISFAS 30: Levies

Improvement 2015

- SFAS 5: Operating Segments
- SFAS 7: Related Party Disclosures

- SFAS 13: Investment Property
- SFAS 16: Property, Plant and Equipment
- SFAS 19: Intangible Asset
- SFAS 22: Business Combination
- SFAS 25: Accounting Policies, Changes in Accounting Estimates and Errors

- SFAS 53: Share-based Payments
- SFAS 68: Fair Value Measurement
- SFAS 110: Accounting for Sukuk

Amendments

- SFAS 4: Separate Financial Statements regarding Equity Method in Separate Financial Statements
- SFAS 15: Investment in Associates and Joint Venture regarding Investment Entities: Applying the Consolidation Exception
- SFAS 16: Property, Plant and Equipment regarding Clarification of Acceptable Methods of Depreciation and Amortization

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- PSAK 19: Aset Takberwujud tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi
 - PSAK 24: Imbalan Kerja tentang Program Imbalan Pasti: Iuran Pekerja
 - PSAK 65: Laporan Keuangan Konsolidasian tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
 - PSAK 66: Pengaturan Bersama tentang Akuntansi Akuisisi Kepentingan dalam Operasi Bersama
 - PSAK 67: Pengungkapan Kepentingan Dalam Entitas Lain tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- c. Penerapan Standar Akuntansi Keuangan (PSAK) Baru dan Revisi, serta Interpretasi Standar Akuntansi Keuangan (ISAK) yang berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2017 dan 2018**
- Amandemen standar dan interpretasi berikut ini efektif untuk periode yang dimulai pada atau setelah 1 Januari 2017, dengan penerapan dini diperkenankan, yaitu:
- PSAK 1 (Amandemen 2015): Penyajian Laporan Keuangan
 - PSAK 3 (Penyesuaian 2016): Laporan Keuangan Interim
 - PSAK 24 (Penyesuaian 2016): Imbalan Kerja.
 - PSAK 58 (Penyesuaian 2016): Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan
 - PSAK 60 (Penyesuaian 2016): Instrumen Keuangan: Pengungkapan
 - ISAK 31 (2015): Interpretasi atas Ruang Lingkup PSAK 13: Properti Investasi
 - ISAK 32 (2017): Definisi dan Hierarki Standar Akuntansi Keuangan
- Amandemen standar dan interpretasi berikut ini efektif untuk periode yang dimulai pada atau setelah 1 Januari 2018, dengan penerapan dini diperkenankan, yaitu:
- PSAK 69 (2015): Agrikultur
 - PSAK 16 (Amandemen 2015): Aset Tetap
 - PSAK 2 (Amandemen 2016): Laporan Arus Kas
- SFAS 19: Intangible Asset regarding Clarification of Acceptable Methods of Depreciation and Amortization
 - SFAS 24: Employee Benefits regarding Defined Benefit Plans: Employee Contributions
 - SFAS 65: Consolidated Financial Statements about Investment Entities: Applying the Consolidation Exception
 - SFAS 66: Joint Arrangements regarding Accounting for Acquisitions of Interests in Joint Operation
 - SFAS 67: Disclosures of Interest in Other Entities regarding Investment Entities: Applying the Consolidation Exception
- c. New and Revised Statements of Financial Accounting Standard (SFAS) and Interpretations of Financial Accounting Standard (ISFAS) effective for the year beginning on or after January 1, 2017 and 2018**
- The following amendments and interpretations of standard will be effective for the year beginning on or after January 1, 2017, for which early adoption is permitted:
- SFAS 1 (Amendment 2015) : Presentations of Financial Statements
 - SFAS 3 (Improvement 2016) : Interim Financial Reporting
 - SFAS 24 (Improvement 2016): Employee Benefits
 - SFAS 58 (Improvement 2016): Non-Current Asset Held for Sale and Discontinued Operation
 - SFAS 60 (improvement 2016): Financial Instruments: Disclosure
 - ISFAS 31 (2015): Interpretation on Scope of SFAS 13: Investment Property
 - ISFAS 32 (2017): Definition and Hierarchy of Financial Accounting Standards
- The following amendments and interpretations of standard will be effective for the year beginning on or after January 1, 2018, for which early adoption is permitted:
- SFAS 69 (2015): Agriculture
 - SFAS 16 (Amendment 2015): Property, Plant and Equipment
 - SFAS 2 (Amendment 2016): Statement of Cash Flows

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- PSAK 46 (Amandemen 2016): Pajak Penghasilan

Pada saat penerbitan laporan keuangan konsolidasian, Perusahaan dan entitas anak masih mempelajari dampak yang mungkin timbul dari penerapan standar baru, amandemen standar, dan interpretasi atas standar serta pengaruhnya pada laporan keuangan konsolidasian Perusahaan dan entitas anak.

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- SFAS 46 (Amendment 2016): Income Tax

As of the authorization date of these consolidated financial statements, the Company and its subsidiaries are still evaluating the potential impact of these new standards, amendments, and interpretations of standards to the Company and its subsidiaries' consolidated financial statements.

3. Ikhtisar Kebijakan Akuntansi Penting

a. Pernyataan Kepatuhan

Sejak 1 Januari 2016, laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Prinsip Akuntansi yang Berlaku Umum di Indonesia ("PABU"), yang mencakup:

- a. Standar Akuntansi Keuangan yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan - Ikatan Akuntan Indonesia ("DSAK-IAI"), yang meliputi Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK").
- b. Standar Akuntansi Keuangan yang dikeluarkan oleh Dewan Standar Akuntansi Syariah - Ikatan Akuntan Indonesia ("DSAS-IAI").
- c. Ketentuan akuntansi keuangan yang ditetapkan oleh OJK, terdiri dari Peraturan No. VIII.G.7 tentang Pedoman Penyajian Laporan Keuangan, Keputusan Ketua Badan Pengawas Pasar Modal – Lembaga Keuangan ("Bapepam-LK") No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik, dan Peraturan OJK No.6 POJK.04/2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik.

Sebelum 1 Januari 2016, laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia. Standar akuntansi keuangan tersebut mencakup:

- a. Standar Akuntansi Keuangan yang dikeluarkan oleh DSAK-IAI, yang meliputi PSAK dan ISAK.

3. Summary of Significant Accounting Policies

a. Statement of Compliance

Since January 1, 2016, the consolidated financial statements were prepared and presented in accordance with Indonesian Generally Accepted Accounting Principles ("GAAP"), which cover:

- a. Financial Accounting Standards issued by the Financial Accounting Standard Board - Indonesian Institute of Accountant ("DSAK-IAI"), which covers Indonesian Statements Financial Accounting Standards ("SFAS") and Interpretation of Financial Accounting Standards ("ISFAS").
- b. Financial Accounting Standards issued by the Indonesian Sharia Accounting Standard Board - Indonesian Institute of Accountant ("DSAS-IAI").
- c. Applicable Capital Market Regulations as stated by FSA including Regulation No. VIII.G.7 regarding Guidance for the Presentation of Financial Statements, Decree of Chairman of Capital Market and Financial Institution Supervisory Board ("CM-FISB") No. KEP-347/BL/2012 regarding Presentation and Disclosure of Financial Statements of Listed or Public Company, and FSA Regulation No.6 POJK.04/2017 regarding Accounting Treatment for Transactions Based on Power Purchase Agreements.

Prior to January 1, 2016, the consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards. Those financial accounting standards cover:

- a. Financial Accounting Standards issued by DSAK-IAI, which covers SFAS and ISFAS.

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- b. Ketentuan akuntansi keuangan yang ditetapkan oleh OJK, termasuk Peraturan No. VIII.G.7 tentang Pedoman Penyajian Laporan Keuangan, Keputusan Ketua Badan Pengawas Pasar Modal – Lembaga Keuangan (“Bapepam-LK”) No. KEP-347/BL/2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik.

b. Dasar Penyusunan

Dasar penyusunan laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian adalah dasar akrual. Mata uang penyajian yang digunakan untuk penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah (“Rp”), yang juga merupakan mata uang fungsional Perusahaan dan entitas anak. Laporan keuangan konsolidasian disusun berdasarkan nilai historis, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

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

c. Dasar Konsolidasian

Laporan keuangan konsolidasian menggabungkan laporan keuangan Perusahaan dan entitas anak (termasuk entitas bertujuan khusus) yang dikendalikan oleh Perusahaan atau entitas anak. Pengendalian dianggap ada ketika Perusahaan memiliki hak atas imbal hasil variabel dari keterlibatannya dengan suatu entitas dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas entitas tersebut.

Hasil entitas anak yang diakuisisi atau dijual selama periode berjalan termasuk dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sejak tanggal efektif akuisisi dan sampai dengan tanggal efektif penjualan.

Jika diperlukan, penyesuaian dapat dilakukan terhadap laporan keuangan

- b. *Applicable Capital Market Regulations as stated by FSA including Regulation No. VIII.G.7 regarding Guidance for the Presentation of Financial Statements, Decree of Chairman of CM-FISB No. KEP-347/BL/2012 regarding Presentation and Disclosure of Financial Statements of Listed or Public Company.*

b. Basis of Preparation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared on the accrual basis of accounting. The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (“Rp”), which is also the functional currency of the Company and its subsidiaries. The measurement basis is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including special purpose entities) controlled by the Company or its subsidiaries. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of the subsidiaries

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entitas anak agar kebijakan akuntansi yang digunakan sesuai dengan kebijakan akuntansi yang digunakan oleh Perusahaan.

Seluruh transaksi antar perusahaan, saldo, penghasilan dan beban dieliminasi pada saat konsolidasi.

Perubahan dalam bagian kepemilikan Perusahaan dan entitas anak pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas. Nilai tercatat kepentingan Perusahaan dan entitas anak dan kepentingan nonpengendali disesuaikan untuk mencerminkan perubahan bagian kepemilikannya atas entitas anak. Setiap perbedaan antara jumlah kepentingan nonpengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik Perusahaan.

Jika Perusahaan kehilangan pengendalian atas entitas anak, maka Perusahaan:

- (a) Menghentikan pengakuan aset (termasuk *goodwill*) dan liabilitas entitas anak pada jumlah tercatatnya ketika pengendalian hilang;
- (b) Menghentikan pengakuan jumlah tercatat setiap kepentingan nonpengendali pada entitas anak terdahulu ketika pengendalian hilang (termasuk setiap komponen penghasilan komprehensif lain yang diatribusikan pada kepentingan nonpengendali);
- (c) Mengakui nilai wajar pembayaran yang diterima, jika ada, dari transaksi, peristiwa, atau keadaan yang mengakibatkan hilangnya pengendalian;
- (d) Mengakui sisa investasi pada entitas anak terdahulu pada nilai wajarnya pada tanggal hilangnya pengendalian;
- (e) Mereklasifikasi ke laba rugi, atau mengalihkan secara langsung ke saldo laba jika disyaratkan oleh Standar Akuntansi Keuangan lain, jumlah yang diakui dalam penghasilan komprehensif lain dalam kaitan dengan entitas anak;
- (f) Mengakui perbedaan apapun yang dihasilkan sebagai keuntungan atau kerugian dalam laba rugi yang diatribusikan kepada pemilik entitas induk.

to bring the accounting policies used in line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Company and its subsidiaries interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company and its subsidiaries' interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

If the Company loses control over the subsidiary, the Company:

- (a) *Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control ceases;*
- (b) *Derecognizes the carrying amounts of any non-controlling interests in the former subsidiary at the date when control ceases (including any components of other comprehensive income attributable to them);*
- (c) *Recognizes the fair value of the consideration received, if any, from the transaction, event or circumstance that resulted in the cessation of control;*
- (d) *Recognizes any investment retained in the former subsidiary at its fair value at the date when control ceases;*
- (e) *Reclassifies to profit or loss, or directly transfer to retained earnings if required by other Financial Accounting Standards, the amounts recognized in other comprehensive income in relation to the former subsidiary;*
- (f) *Recognizes any resulting difference as a gain or loss attributable to the owners of the parent.*

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d. Kombinasi Bisnis

Kombinasi bisnis adalah suatu transaksi atau peristiwa lain dimana pihak pengakuisisi memperoleh pengendalian atas satu atau lebih bisnis. Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Perusahaan dan entitas anak, liabilitas yang diakui oleh Perusahaan dan entitas anak kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Perusahaan dan entitas anak dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui di dalam laba rugi pada saat terjadinya.

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Kepentingan nonpengendali pada entitas anak diidentifikasi secara terpisah dan disajikan dalam ekuitas. Kepentingan nonpengendali pemegang saham pada awalnya boleh diukur pada nilai wajar atau pada proporsi kepemilikan kepentingan nonpengendali pada aset neto teridentifikasi dari pihak yang diakuisisi. Pilihan pengukuran dibuat pada saat akuisisi dengan dasar akuisisi. Setelah akuisisi, nilai tercatat kepentingan nonpengendali adalah jumlah kepentingan nonpengendali pada pengakuan awal ditambah dengan proporsi kepentingan nonpengendali atas perubahan selanjutnya dalam ekuitas. Seluruh laba rugi komprehensif diatribusikan pada kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

Bila imbalan yang dialihkan oleh Perusahaan dan entitas anak dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjen (*contingent consideration arrangement*), imbalan kontinjen tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk

d. Business Combinations

Business combination is a transaction or other events in which an acquirer obtains control of one or more businesses. Business combination is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company and its subsidiaries, liabilities incurred by the Company and its subsidiaries to the former owners of the acquiree and the equity interests issued by the Company and its subsidiaries in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Non-controlling interests in subsidiaries are identified separately and presented within equity. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of fair value of the acquiree's identifiable net asset. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When the consideration transferred by the Company and its subsidiaries in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a

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sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis. Perubahan dalam nilai wajar atas imbalan kontinjen yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap goodwill. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

Perubahan selanjutnya dalam nilai wajar atas imbalan kontinjen yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjen tersebut diklasifikasikan. Imbalan kontinjen yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada tanggal sesudah tanggal pelaporan dan penyelesaian selanjutnya dicatat dalam ekuitas. Imbalan kontinjen yang diklasifikasikan sebagai aset atau liabilitas diukur kembali setelah tanggal pelaporan sesuai dengan standar akuntansi yang relevan, dengan diakui keuntungan atau kerugian terkait dalam laba rugi atau dalam pendapatan komprehensif lain.

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Perusahaan dan entitas anak atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugiannya, jika ada, diakui di dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam pendapatan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai ketika kepemilikannya dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Perusahaan dan entitas anak melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk

business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. A contingent consideration that is classified as an asset or liability is remeasured subsequent to the reporting dates in accordance with the relevant accounting standards, as appropriate, with the corresponding gain or loss being recognized in profit or loss or in other comprehensive income.

When a business combination is achieved in stages, the Company and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate when those interests were disposed of.

If the initial accounting for a business combination is incompleting by the end of the reporting period in which the combination occurs, the Company and its subsidiaries report provisional amounts for the items for which the accounting is incompleting. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information

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mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Transaksi dan Penjabaran Mata Uang Asing

Pembukuan Perusahaan dan entitas anak, kecuali Majapahit Holding B.V. ("MH") dan Majapahit Finance B.V. ("MF") diselenggarakan dalam mata uang Rupiah, mata uang dari lingkungan ekonomi utama dimana entitas beroperasi (mata uang fungsionalnya). Transaksi-transaksi selama periode berjalan dalam mata uang asing dicatat dengan kurs yang berlaku pada saat terjadinya transaksi. Pada tanggal pelaporan, aset dan kewajiban moneter dalam mata uang asing disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut. Keuntungan atau kerugian kurs yang timbul dikreditkan atau dibebankan dalam laporan laba rugi komprehensif, kecuali selisih kurs mata uang asing yang dikapitalisasi sebagai biaya pinjaman.

e. Foreign Currency Transactions and Translation

The accounts of the Company and its subsidiaries, except for Majapahit Holding B.V. ("MH") and Majapahit Finance B.V. ("MF"), are maintained in Indonesian Rupiah, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the period involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss, except those foreign exchange differences which are capitalized as borrowing costs.

Kegiatan usaha MH dan MF merupakan bagian integral dari kegiatan usaha Perusahaan, dengan demikian pembukuan MH dan MF yang diselenggarakan dalam mata uang asing dijabarkan dalam mata uang Rupiah dengan menggunakan prosedur yang sama dengan Perusahaan.

The operating activities of MH and MF are an integral part of the Company's activities; hence the accounts of MH and MF, which are maintained in foreign currency, are translated into Rupiah using the same procedures adopted by the Company.

Pada tanggal 31 Desember 2016 dan 2015, kurs konversi yang digunakan Perusahaan dan entitas anak sebagai berikut:

The conversion rates used by the Company and its subsidiaries on December 31, 2016 and 2015 are as follows:

	2016	2015
	Kurs tengah/ Middle rate Rp *)	Kurs tengah/ Middle rate Rp *)
Mata uang/ <i>Currency</i>		
JPY	115	115
US\$	13,436	13,795
EUR	14,162	15,070
AUD	9,724	10,064
CHF	13,178	13,951
GBP	16,508	20,451
NZD	9,360	9,442

*) dalam jumlah penuh/ *in full amount*

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f. Transaksi dengan Pihak-Pihak Berelasi

Pihak-pihak berelasi adalah orang atau entitas yang terkait dengan Perusahaan dan entitas anak (entitas pelapor):

- a. Orang atau anggota keluarga dekatnya mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - i. memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - ii. memiliki pengaruh signifikan atas pelapor atau entitas pelapor; atau
 - iii. merupakan personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 - i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya saling berelasi dengan entitas lain).
 - ii. Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).
 - iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
 - iv. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.
 - v. Entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.
 - vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a), atau

f. Transactions with Related Parties

A related party is a person or entity that is related to the Company and its subsidiaries (the reporting entity):

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions apply:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a), or

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- vii. Orang yang diidentifikasi dalam huruf (a) (i) memiliki pengaruh signifikan atas entitas atau personel manajemen kunci entitas (atau entitas induk dari entitas).
- viii. Entitas, atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personel manajemen kunci kepada entitas palapor atau kepada entitas induk dari entitas pelapor.

Entitas yang berelasi dengan pemerintah adalah entitas yang dikendalikan, dikendalikan bersama, atau dipengaruhi oleh pemerintah. Pemerintah mengacu kepada pemerintah, instansi pemerintah dan badan yang serupa baik lokal, nasional maupun internasional.

Entitas yang berelasi dengan Pemerintah dapat berupa entitas yang dikendalikan atau dipengaruhi secara signifikan oleh Kementerian Keuangan atau Pemerintah Daerah yang merupakan Pemegang Saham entitas, atau entitas yang dikendalikan oleh Pemerintah Republik Indonesia melalui Kementerian Badan Usaha Milik Negara sebagai kuasa pemegang saham.

Seluruh transaksi dan saldo yang signifikan dengan pihak berelasi diungkapkan dalam Catatan yang relevan.

**g. Aset Keuangan
Pengakuan dan Pengukuran Awal**

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang awalnya diukur sebesar nilai wajar.

**Pengukuran Selanjutnya Aset
Keuangan**

Aset keuangan Perusahaan dan entitas anak diklasifikasikan sebagai berikut: aset keuangan yang diukur pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, dan yang tersedia untuk dijual.

- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. Entities, or members of the Company to which the entity is part of the Company, providing services to the entity's key management personnel or to the parent entity of the reporting entity.

A government related entity is an entity that is controlled, jointly controlled or significantly influenced by a government. Government refers to government, government agencies and similar bodies whether local, national or international.

Government related entity can be an entity which is controlled or significantly influenced by the Ministry of Finance or Local Government being the shareholders of the entity or an entity controlled by the Government of Republic of Indonesia, represented by the Ministry of State Owned Enterprise as shareholder's representative.

All significant transactions and balances with related parties are disclosed in the relevant Notes.

**g. Financial Assets
Initial Recognition and Measurement**

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as a fair value through profit or loss, which are initially measured at fair value.

Subsequent Measurement of Financial Assets

The Company and its subsidiaries' financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale.

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i. Aset Keuangan yang Diukur pada Nilai Wajar Melalui Laba Rugi ("FVTPL")

Aset keuangan yang diukur pada FVTPL adalah aset keuangan yang dimiliki untuk diperdagangkan atau yang pada saat pengakuan awal telah ditetapkan untuk diukur pada nilai wajar melalui laba rugi. Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau bagian dari portfolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek aktual saat ini, atau merupakan derivatif, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Setelah pengakuan awal, aset keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar aset keuangan diakui dalam laba rugi.

ii. Pinjaman yang Diberikan dan Piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan nonderivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota di pasar aktif, kecuali:

- (a) pinjaman yang diberikan dan piutang yang dimaksudkan untuk dijual dalam waktu dekat dan yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi;
- (b) pinjaman yang diberikan dan piutang yang pada saat pengakuan awal ditetapkan sebagai tersedia untuk dijual; atau
- (c) pinjaman yang diberikan dan piutang dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman.

Setelah pengakuan awal, pinjaman yang diberikan dan piutang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

i. Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

ii. Loans and Receivables

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

- (a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
- (b) those that upon initial recognition designated as available for sale; or
- (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

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iii. Aset Keuangan Tersedia untuk Dijual
("AFS")

AFS pada awalnya diakui sebesar nilai wajar, ditambah biaya transaksi yang dapat diatribusikan secara langsung. Setelah pengakuan awal, aset keuangan tersebut diukur sebesar nilai wajar, dimana keuntungan atau kerugian diakui dalam pendapatan komprehensif lainnya, kecuali untuk kerugian akibat penurunan nilai dan keuntungan, sampai aset keuangan tersebut dihentikan pengakuannya.

Perusahaan mengukur nilai wajar instrumen ekuitas yang tidak tercatat di pasar aktif dengan menggunakan teknik penilaian berdasarkan asumsi yang wajar. Dalam keadaan tertentu dimana kisaran estimasi nilai wajar yang realistis cukup signifikan dan probabilitas berbagai estimasi tidak dapat dinilai secara wajar, maka Perusahaan mengukur nilai wajar instrumen AFS tersebut pada biaya perolehan dikurangi penurunan nilai.

Dividen atas instrumen ekuitas AFS, jika ada, diakui pada laba rugi pada saat hak Perusahaan dan entitas anak untuk memperoleh pembayaran dividen ditetapkan.

Metode Suku Bunga Efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari instrumen keuangan dan metode untuk mengalokasikan pendapatan bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan kas di masa datang (mencakup seluruh komisi dan bentuk lain yang dibayarkan dan diterima yang merupakan bagian yang tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium dan diskonto lainnya) selama perkiraan umur instrumen keuangan, atau, jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan pada saat pengakuan awal.

Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan.

iii. Available-for-Sale Financial Assets
("AFS")

AFS are initially recognized at fair value, including directly attributable transaction costs. Subsequently, they are carried at fair value, with gains or losses recognized in other comprehensive income, except for impairment losses, until they are derecognized.

The Company measures the fair value of non-listed equity instruments by applying valuation techniques based on reasonable assumptions. In the limited case where the range of reasonable fair value measurements is significantly wide and the probabilities of the various estimates cannot be reasonably assessed, the Company records such AFS instruments at cost less impairment.

Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Company and its subsidiaries' rights to receive the dividends are established.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and other forms paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments.

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Penurunan Nilai Aset Keuangan

Aset keuangan dievaluasi terhadap indikator penurunan nilai pada setiap akhir tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara handal.

Untuk investasi ekuitas AFS yang tercatat dan tidak tercatat di bursa, penurunan yang signifikan atau jangka panjang pada nilai wajar dari investasi ekuitas di bawah biaya perolehannya dianggap sebagai bukti objektif penurunan nilai.

Untuk aset keuangan lainnya, bukti objektif penurunan nilai termasuk sebagai berikut:

- kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan.
- terdapat data yang dapat diobservasi yang mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa depan dari kelompok aset keuangan sejak pengakuan awal aset, seperti memburuknya status pembayaran pihak peminjam atau kondisi ekonomi yang berkorelasi dengan gagal bayar.

Untuk kelompok aset keuangan tertentu, seperti piutang, aset yang dinilai tidak akan diturunkan secara individual tetapi penurunan secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Perusahaan dan entitas anak atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan *default* atas piutang.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset and the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organization.
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's and its subsidiaries' past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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Untuk aset keuangan yang diukur pada biaya perolehan diamortisasi, jumlah kerugian penurunan nilai merupakan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan.

Nilai tercatat aset keuangan tersebut dikurangi dengan kerugian penurunan nilai secara langsung atas aset keuangan, kecuali piutang yang nilai tercatatnya dikurangi melalui penggunaan akun cadangan kerugian penurunan nilai piutang. Jika piutang tidak tertagih, piutang tersebut dihapuskan melalui akun cadangan kerugian penurunan nilai piutang. Pemulihan kemudian dari jumlah yang sebelumnya telah dihapuskan dikreditkan terhadap akun cadangan kerugian penurunan nilai piutang. Perubahan nilai tercatat akun cadangan kerugian penurunan nilai piutang diakui dalam laba rugi.

Jika aset keuangan AFS dianggap menurun nilainya, keuntungan kumulatif yang sebelumnya telah diakui dalam ekuitas dicatat ke laba rugi.

Pengecualian dari instrumen ekuitas AFS, jika, pada periode berikutnya, jumlah penurunan nilai berkurang dan penurunan dapat dikaitkan secara objektif dengan sebuah peristiwa yang terjadi setelah penurunan nilai tersebut diakui, kerugian penurunan nilai yang sebelumnya diakui dipulihkan melalui laba rugi hingga nilai tercatat investasi pada tanggal pemulihan penurunan nilai tidak melebihi biaya perolehan diamortisasi sebelum pengakuan kerugian penurunan nilai dilakukan.

Dalam hal efek ekuitas AFS, kerugian penurunan nilai yang sebelumnya diakui dalam laba rugi tidak boleh dipulihkan melalui laba rugi. Setiap kenaikan nilai wajar setelah penurunan nilai diakui secara langsung ke pendapatan komprehensif lainnya.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains previously recognized in equity are recognized in profit or loss.

With the exception of AFS equity instruments, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

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**Penghentian Pengakuan Aset
Keuangan**

Perusahaan dan entitas anak menghentikan pengakuan aset keuangan jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset berakhir, atau Perusahaan dan entitas anak mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain. Jika Perusahaan dan entitas anak tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Perusahaan dan entitas anak mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Perusahaan dan entitas anak memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Perusahaan dan entitas anak masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

Saat penghentian pengakuan aset keuangan secara keseluruhan, selisih antara jumlah tercatat aset dan jumlah pembayaran dan piutang yang diterima dan keuntungan atau kerugian kumulatif yang telah diakui dalam pendapatan komprehensif lain dan terakumulasi dalam ekuitas diakui dalam laba rugi.

Saat penghentian pengakuan aset keuangan terhadap satu bagian saja (misalnya ketika Perusahaan dan entitas anak masih memiliki hak untuk membeli kembali bagian aset yang ditransfer), Perusahaan dan entitas anak mengalokasikan jumlah tercatat sebelumnya dari aset keuangan tersebut pada bagian yang tetap diakui berdasarkan keterlibatan berkelanjutan dan bagian yang tidak lagi diakui berdasarkan nilai wajar relatif dari kedua bagian tersebut pada tanggal transfer. Selisih antara jumlah tercatat yang dialokasikan pada bagian yang tidak lagi diakui dan jumlah dari pembayaran yang diterima untuk bagian yang tidak lagi diakui dan setiap keuntungan atau kerugian kumulatif yang dialokasikan pada bagian yang tidak lagi diakui tersebut yang

Derecognition of Financial Assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company and its subsidiaries recognize their retained interest in the asset and an associated liability for amounts they may have to pay. If the Company and its subsidiaries retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company and its subsidiaries continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company and its subsidiaries retain an option to repurchase part of a transferred asset), the Company and its subsidiaries allocate the previous carrying amount of the financial asset between the part they continue to recognize under continuing involvement and the part they no longer recognize on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in

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sebelumnya telah diakui dalam pendapatan komprehensif lain diakui pada laba rugi. Keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam pendapatan komprehensif lain dialokasikan pada bagian yang tetap diakui dan bagian yang dihentikan pengakuannya, berdasarkan nilai wajar relatif kedua bagian tersebut.

Reklasifikasi

Perusahaan dan entitas anak tidak mereklasifikasi instrumen derivatif dari diukur pada nilai wajar melalui laba rugi selama derivatif tersebut dimiliki atau diterbitkan dan tidak mereklasifikasi setiap instrumen keuangan dari diukur melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Perusahaan dan entitas anak sebagai diukur pada nilai wajar melalui laba rugi. Perusahaan dan entitas anak dapat mereklasifikasi aset keuangan yang diukur pada nilai wajar melalui laba rugi, jika aset keuangan tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali aset keuangan tersebut dalam waktu dekat. Perusahaan dan entitas anak tidak mereklasifikasi setiap instrumen keuangan pada nilai wajar melalui laba rugi setelah pengakuan awal.

Jika, karena perubahan intensi atau kemampuan Perusahaan dan entitas anak, instrumen tersebut tidak tepat lagi diklasifikasikan sebagai investasi dimiliki hingga jatuh tempo, maka investasi tersebut direklasifikasi menjadi tersedia untuk dijual dan diukur kembali pada nilai wajar. Jika terjadi penjualan atau reklasifikasi atas investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan, maka sisa investasi dimiliki hingga jatuh tempo direklasifikasi menjadi tersedia untuk dijual, kecuali penjualan atau reklasifikasi tersebut dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, terjadi setelah seluruh jumlah pokok telah diperoleh secara substansial sesuai jadwal pembayaran atau telah diperoleh pelunasan dipercepat; atau terkait dengan kejadian tertentu yang berada di luar kendali, tidak berulang, dan tidak dapat diantisipasi secara wajar.

other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Reclassification

The Company and its subsidiaries shall not reclassify a derivative instrument out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Company and its subsidiaries as at fair value through profit or loss. The Company and its subsidiaries may reclassify the financial asset out of the fair value through profit or loss category if it is no longer held for the purpose of selling or repurchasing it in the near term. The Company and its subsidiaries shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

If, as a result of a change in the Company and its subsidiaries' intention or ability, it is no longer appropriate to classify an investment as held-to-maturity investments, it shall be reclassified to available-for-sale investments and remeasured at fair value. Whenever sales or reclassification of more than insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sale or reclassification that are so close to maturity or the financial asset's call date, occur after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

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Pengukuran Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Nilai wajar aset dan liabilitas keuangan diestimasi untuk keperluan pengakuan dan pengukuran atau untuk keperluan pengungkapan.

Nilai wajar dikategorikan dalam level yang berbeda dalam suatu hirarki nilai wajar berdasarkan pada apakah input suatu pengukuran dapat diobservasi dan signifikansi input terhadap keseluruhan pengukuran nilai wajar:

- (i) Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran (Level 1);
- (ii) Input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung maupun tidak langsung (Level 2);
- (iii) Input yang tidak dapat diobservasi untuk aset atau liabilitas (Level 3).

Dalam mengukur nilai wajar aset atau liabilitas, Perusahaan dan entitas anak sebisa mungkin menggunakan data pasar yang dapat diobservasi. Apabila nilai wajar aset atau liabilitas tidak dapat diobservasi secara langsung, Perusahaan dan entitas anak menggunakan teknik penilaian yang sesuai dengan keadaannya dan memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

Perpindahan antara level hirarki nilai wajar diakui oleh Perusahaan dan entitas anak pada akhir periode pelaporan dimana perpindahan terjadi.

Lindung nilai

Dalam bisnis normal Perusahaan dan entitas anak terekspos dengan risiko nilai tukar dan tingkat bunga. Untuk melindungi dari risiko-risiko ini sesuai dengan kebijakan treasury tertulis dari manajemen, Perusahaan dan entitas anak

Fair Value Measurement

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

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1);*
- (ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2);*
- (iii) Unobservable inputs for the assets or liabilities (Level 3).*

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Company and its subsidiaries use valuation techniques that are appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognized by the Company and its subsidiaries at the end of the reporting period during which the change occurred.

Hedging

In the normal course of the Company and its subsidiaries' business exposes them to currency and interest rate risks. In order to hedge these risks in accordance with the management's written treasury policies, the Company and its subsidiaries use

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menggunakan derivatif dan instrumen lindung nilai lainnya. PSAK 55 memperbolehkan tiga jenis hubungan lindung nilai:

- Lindung nilai atas nilai wajar;
- Lindung nilai atas arus kas;
- Lindung nilai atas investasi neto pada kegiatan usaha luar negeri.

Perusahaan dan entitas anak menggunakan akuntansi lindung nilai hanya jika seluruh kondisi berikut ini terpenuhi pada saat dimulainya lindung nilai:

- Instrumen lindung nilai dan item yang dilindung nilai diidentifikasi dengan jelas;
- Terdapat penetapan dan pendokumentasian formal atas hubungan lindung nilai. Dokumentasi lindung nilai mencakup strategi lindung nilai dan metode yang digunakan untuk menilai efektivitas lindung nilai; dan
- Efektivitas hubungan lindung nilai diperkirakan sangat tinggi di sepanjang masa dari lindung nilai.

Dokumentasi di atas selanjutnya dimutakhirkan pada setiap periode pelaporan untuk menilai apakah lindung nilai tetap diperkirakan akan sangat efektif di sepanjang sisa masa lindung nilai.

Lindung nilai atas arus kas

Bagian dari keuntungan atau kerugian atas instrumen lindung nilai yang ditetapkan sebagai lindung nilai yang efektif diakui (setelah pajak) dalam penghasilan komprehensif lain dan diakumulasi dalam cadangan lindung nilai, dan bagian yang tidak efektif atas keuntungan atau kerugian dari instrumen lindung nilai tersebut diakui dalam laba rugi.

Tidak dilakukan penyesuaian atas item yang dilindung nilai.

Jika suatu lindung nilai atas prakiraan transaksi yang kemudian menimbulkan pengakuan suatu aset keuangan atau liabilitas keuangan, maka keuntungan atau kerugian terkait yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi pada periode yang sama pada saat lindung nilai atas prakiraan arus kas mempengaruhi laba rugi.

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derivatives and other hedging instruments. PSAK 55 allows three types of hedging relationships:

- *Fair value hedge;*
- *Cash flow hedge;*
- *Hedge of a net investment in a foreign operation.*

The Company and its subsidiaries use hedge accounting only when the following conditions at the inception of the hedge are satisfied:

- *The hedging instrument and the hedged item are clearly identified;*
- *Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and*
- *The hedge relationship is expected to be highly effective throughout the life of the hedge.*

The above documentation is subsequently updated at each reporting date in order to assess whether the hedge is still expected to be highly effective over its remaining life.

Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized (net of tax) in other comprehensive income and accumulated under hedging reserve, and the ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

No adjustment is made to the hedged item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affects profit or loss.

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Jika suatu lindung nilai atas prakiraan transaksi yang kemudian menimbulkan pengakuan aset nonkeuangan atau liabilitas nonkeuangan, atau jika suatu lindung nilai atas prakiraan transaksi atas aset nonkeuangan atau liabilitas nonkeuangan menjadi komitmen pasti dimana akuntansi lindung nilai atas nilai wajar diterapkan, maka Perusahaan mereklasifikasi keuntungan dan kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain ke laba rugi sebagai penyesuaian reklasifikasi.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Company reclassifies the associated gains and losses that were previously recognized in other comprehensive income to profit or loss as a reclassification adjustment.

h. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi Sebagai Liabilitas atau Ekuitas
Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Perusahaan dan entitas anak diklasifikasikan sesuai dengan substansi perjanjian kontraktual dan definisi liabilitas keuangan dan instrumen ekuitas.

h. Financial Liabilities and Equity Instruments

Classification as Liabilities or Equity
Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Instrumen Ekuitas

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset Perusahaan dan entitas anak setelah dikurangi dengan seluruh liabilitasnya. Instrumen ekuitas dicatat sebesar hasil penerimaan bersih setelah dikurangi biaya penerbitan langsung.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company and its subsidiaries after deducting all of its liabilities. Equity instruments are recorded as the proceeds received, net of direct issue costs.

Liabilitas Keuangan

Penerusan pinjaman, utang kepada pemerintah dan Lembaga Keuangan Pemerintah non-bank, utang bank dan surat utang jangka menengah, utang obligasi (tidak termasuk sukuk ijarah), utang listrik swasta dan pinjaman lainnya pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dengan beban bunga diakui berdasarkan metode suku bunga efektif.

Financial Liabilities

Two-step loans, Government and non-bank Government Financial Institution loans, bank loans and medium term notes, bonds payable (excluding sukuk ijarah), electricity purchase payable and other borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Selisih antara hasil emisi (setelah dikurangi biaya transaksi) dan penyelesaian atau pelunasan pinjaman diakui selama jangka waktu pinjaman menggunakan metode suku bunga efektif.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings using the effective interest rate method.

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Sukuk ijarah dan obligasi syariah ijarah diukur pada nilai wajar, setelah dikurangi biaya transaksi.

Sukuk ijara and syariah ijara bonds are initially measured at fair value, net of transaction costs.

Biaya transaksi sukuk ijarah diamortisasi menggunakan metode garis lurus sepanjang umur kontraktual liabilitasnya.

Transaction costs for sukuk ijara are amortized using the straight line method over the contractual life of the liability.

Penghentian Pengakuan Liabilitas Keuangan

Perusahaan dan entitas anak menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas Perusahaan dan entitas anak telah dilepaskan, dibatalkan atau kadaluarsa. Selisih antara jumlah tercatat liabilitas keuangan yang dihentikan pengakuannya dan imbalan yang dibayarkan dan utang diakui dalam laba rugi.

Derecognition of Financial Liabilities

The Company and its subsidiaries derecognize financial liabilities, when and only when the Company and its subsidiaries' obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the considerations paid and payable is recognized in profit or loss.

i. Saling Hapus Antar Aset Keuangan dan Liabilitas Keuangan

Aset dan liabilitas keuangan Perusahaan dan entitas anak saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika dan hanya jika:

- saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut; dan
- berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

i. Netting of Financial Assets and Financial Liabilities

The Company and its subsidiaries only offset financial assets and liabilities and present the net amount in the statement of financial position where they:

- *currently have a legal enforceable right to set off the recognized amount; and*
- *intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.*

j. Aset Tetap - Pemilikan Langsung

Sebelum 31 Desember 2015, setelah pengakuan awal, aset tetap yang dimiliki untuk digunakan, kecuali tanah, dicatat berdasarkan biaya perolehan setelah dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai. Tanah dicatat berdasarkan biaya perolehan. Aset tetap termasuk material cadangan utama dan peralatan siap pakai dengan manfaat ekonomis lebih dari satu tahun yang diperuntukkan untuk menjaga kelangsungan dan kestabilan operasi instalasi dan mesin pembangkit listrik dalam rangka memproduksi serta mendistribusikan tenaga listrik.

j. Property, Plant and Equipment - Direct Acquisition

Before December 31, 2015, after initial recognition, property, plant and equipment held for use, except land rights, are stated at cost, less accumulated depreciation and any accumulated impairment losses. Land is stated at cost. Property, plant and equipment include major spare parts and stand-by equipment, with economic benefits of more than one year, which are used to ensure the continuity and stability of the power plant operations and electricity installations necessary to produce and distribute electricity.

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Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas kelas-kelas aset berikut ini dari model biaya menjadi model revaluasi:

- Tanah
- Bangunan umum, waduk dan prasarana
- Instalasi dan mesin pembangkit
- Perlengkapan transmisi
- Perlengkapan distribusi
- Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik
- Material cadangan utama

Perubahan kebijakan akuntansi tersebut diterapkan secara prospektif sesuai dengan PSAK 25 (Revisi 2015).

Kelas aset di atas, disajikan sebesar nilai wajar, dikurangi penyusutan dan penurunan nilai. Tanah tidak disusutkan. Penilaian terhadap aset-aset tersebut dilakukan oleh penilai independen eksternal yang terdaftar di OJK. Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya. Akumulasi penyusutan pada tanggal revaluasi dieliminasi terhadap nilai tercatat bruto aset, dan nilai netonya disajikan kembali sebesar nilai revaluasi aset tetap.

Aset tetap lainnya disajikan sebesar harga perolehan dikurangi dengan penyusutan dan kerugian penurunan nilai. Harga perolehan termasuk pengeluaran yang dapat diatribusikan secara langsung atas perolehan aset tersebut.

Kenaikan nilai tercatat yang timbul dari revaluasi aset tetap yang menggunakan model revaluasi dikreditkan pada "surplus revaluasi aset" sebagai bagian dari penghasilan komprehensif lainnya. Penurunan yang menghapus nilai kenaikan sebelumnya atas aset yang sama dibebankan terhadap "surplus revaluasi aset" sebagai bagian dari penghasilan komprehensif; penurunan lainnya dibebankan pada laba rugi.

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for the following classes of assets from the cost model to the revaluation model:

- *Land*
- *Buildings, reservoir and infrastructure*
- *Installations and power plant*
- *Transmission equipment*
- *Distribution equipment*
- *Telecommunication and data processing equipment used for electricity supply*
- *Major spare parts*

That change in accounting policy is applied prospectively in accordance with SFAS 25 (Revised 2015).

The classes of asset above, are shown at fair value less subsequent depreciation and impairment losses. Land is not depreciated. Valuation of those assets is performed by external independent valuers which are registered with the FSA. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amount arising on revaluation of property, plant and equipment that use revaluation model are credited to "asset revaluation surplus" as part of other comprehensive income. Decreases that offset previous increases of the same asset are debited against "asset revaluation surplus" as part of other comprehensive income; all other decreases are charged to profit or loss.

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Biaya awal untuk mendapatkan hak atas tanah diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak disusutkan. Aset, kecuali tanah, disusutkan hingga mencapai estimasi nilai sisa dengan menggunakan metode garis lurus hingga mencapai estimasi nilai sisa selama masa manfaatnya sebagai berikut:

Initial costs incurred to obtain land are recognized as part of the acquisition cost of the land and these costs are not depreciated. Assets, except land, are depreciated to their residual value using the straight-line method to their residual values over their expected useful lives as follows:

	2016 (Tahun/ Years)	2015 (Tahun/ Years)	
Bangunan umum, waduk dan prasarana	10-50	10-47	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	12-40	13-30	<i>Installations and power plant</i>
Perlengkapan transmisi	40	37	<i>Transmission equipment</i>
Perlengkapan distribusi	40	15-37	<i>Distribution equipment</i>
Perlengkapan umum	5	4-8	<i>General equipment</i>
Kendaraan bermotor	5	3-5	<i>Motor vehicle</i>
Material cadangan utama	10-50	10-25	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	10	5-10	<i>Telecommunication and data processing equipment used for electricity supply</i>
Perlengkapan pengolahan data dan telekomunikasi lainnya	10	5-10	<i>Other telecommunication and data processing equipment</i>
Kapal dan perlengkapan	10-47	10-47	<i>Vessel and equipment</i>

Aset sewa pembiayaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset yang dimiliki sendiri atau jika lebih pendek, disusutkan selama periode masa sewa ketika tidak ada kepastian yang memadai bahwa Perusahaan dan entitas anak akan mendapatkan hak kepemilikan pada akhir masa sewa.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant leases where there is no reasonable certainty that the Company and its subsidiaries will obtain ownership at the end of the lease term.

Masa manfaat ekonomis, nilai sisa dan metode penyusutan dievaluasi setiap akhir tahun dan pengaruh dari setiap perubahan estimasi tersebut berlaku prospektif.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Beban pemeliharaan dan perbaikan dibebankan pada laba rugi pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap diakui sebagai biaya perolehan aset jika dan hanya jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal.

The costs of maintenance and repairs are charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as assets if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Aset tetap yang sudah tidak digunakan lagi atau yang dijual nilai tercatatnya dikeluarkan dari kelompok aset tetap. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laba rugi.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts. Any resulting gain or loss is reflected in profit or loss.

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Aset yang untuk sementara waktu tidak digunakan dalam operasi dicatat sebagai bagian dari aset tetap. Aset yang sementara waktu tidak digunakan dalam operasi disusutkan dengan metode dan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset tetap.

Assets that are temporarily not used in operations are recorded as part of property, plant and equipment. Assets not used in operations are depreciated using the same method and based on the economic useful lives of the property, plant and equipment.

k. Penurunan Nilai Aset Non-keuangan

Aset yang diamortisasi atau disusutkan dikaji untuk penurunan nilai jika terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa jumlah tercatat kemungkinan tidak dapat dipulihkan. Kerugian penurunan nilai diakui sebesar kelebihan jumlah tercatat aset atas jumlah terpulihkannya. Jumlah terpulihkan merupakan jumlah yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakainya. Dalam rangka menguji penurunan nilai, aset dikelompokkan hingga unit terkecil yang menghasilkan arus kas terpisah (unit penghasil kas). Aset non-keuangan yang mengalami penurunan nilai, ditelaah untuk menentukan apakah terdapat kemungkinan pembalikan penurunan nilai, pada setiap tanggal pelaporan.

k. Impairment of Non-Financial Assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Pembalikan rugi penurunan nilai, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi. Pembalikan tersebut tidak boleh mengakibatkan nilai tercatat aset melebihi biaya perolehan didepresiasi sebelum adanya pengakuan penurunan nilai pada tanggal pembalikan dilakukan.

Reversal on impairment loss for assets would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized in profit or loss. The reversal will not result in the carrying amount of an asset that exceeds what the depreciated cost would have been had the impairment not been recognized at the date at which the impairment was reversed.

l. Sewa

Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa

Perlakuan akuntansi sebelum 1 Januari 2016

ISAK 8: Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa ("ISAK 8") memberikan panduan untuk menentukan apakah suatu perjanjian merupakan sewa atau mengandung sewa sehingga harus diperlakukan sesuai dengan PSAK 30 (Revisi 2011): Sewa ("PSAK 30").

l. Leases

Determining Whether an Arrangement Contains a Lease

Accounting treatment before January 1, 2016

ISFAS 8: *Determining Whether an Arrangement Contains a Lease* ("ISFAS 8") provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30 (Revised 2011): Leases ("SFAS 30").

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Penyelenggaraan usaha tenaga listrik di Indonesia dikendalikan oleh Pemerintah dan dilaksanakan oleh Perusahaan sebagai Badan Usaha Milik Negara selaku Pemegang Kuasa Usaha Ketenagalistrikan. Pemegang Kuasa Usaha Ketenagalistrikan dan setiap pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum harus memastikan ketersediaan tenaga listrik di setiap wilayah operasinya.

Perusahaan dan entitas anak mengadakan perjanjian jual beli tenaga listrik, yakni PPA dan ESC, dengan IPP. IPP tersebut merupakan pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum, yang dapat diserahkan kepada entitas usaha lain dengan tanggung jawab untuk menghasilkan tenaga listrik guna kepentingan umum.

Berdasarkan surat Ketua Bapepam-LK yang kemudian bergabung menjadi bagian dari OJK, No. S-2366/BL/2009 tertanggal 30 Maret 2009, perjanjian penyediaan tenaga listrik oleh IPP kepada Perusahaan dan entitas anak yang termasuk dalam kategori perjanjian pelaksanaan jasa publik ke swasta, dikecualikan dari penerapan ISAK 8 sampai DSAK-IAI menerbitkan interpretasi standar akuntansi yang spesifik mengatur transaksi tersebut.

Manajemen mengevaluasi dampak dari ISAK 16: Perjanjian Konsesi Jasa ("ISAK 16") (efektif berlaku tanggal 1 Januari 2012) terhadap Perjanjian Jual Beli Tenaga Listrik Perusahaan dan entitas anak dengan IPP dan menetapkan bahwa transaksi tersebut tidak termasuk dalam ruang lingkup Interpretasi, yang berisi perlakuan akuntansi untuk operator atas perjanjian konsesi jasa publik ke swasta. Selanjutnya, sesuai dengan surat manajemen tanggal 22 Desember 2011 kepada Ketua Bapepam-LK, manajemen memutuskan untuk menerapkan ketentuan ISAK 8, sesuai dengan PSAK 30, terhadap Perjanjian Jual Beli Tenaga Listrik mulai tanggal 1 Januari 2012.

**Perlakuan akuntansi sejak
1 Januari 2016**

Pada tanggal 1 Maret 2017, Otoritas Jasa Keuangan ("OJK") menerbitkan POJK No.6/POJK.04/2017 tentang Perlakuan

The electric power business in Indonesia is controlled by the Government and carried out by the Company as a State-Owned Enterprise, which serves as the holder of an Electricity Business Proxy. The holder of an Electricity Business Proxy and each holder of an Electricity Business License for public use must ensure the adequacy of electric power supply in each of their operating areas.

The Company and its subsidiaries entered into power purchase agreements namely PPA and ESC, with IPPs. Those IPPs are holders of Electricity Business License for public use, which may be granted to other business entities with responsibility to generate electricity for public use.

Based on letter No. S-2366/BL/2009 dated March 30, 2009 from the Chairman of CM-FISB, which has subsequently been merged into the FSA, power supply arrangements by IPPs to the Company and its subsidiaries that are categorized as public-to-private concession arrangements, are exempted from the application of ISFAS 8, until DSAK-IAI has issued an accounting interpretation that can specifically address such transactions.

Management assessed the impact of ISFAS 16: Service Concession Arrangements ("ISFAS 16") (effective January 1, 2012) on the Company's and its subsidiaries' Power Supply Contracts with IPPs and determined that such transactions do not qualify under the scope of the Interpretation, which addresses the accounting of the operators of public-to-private concession arrangements. Subsequently, on its letter dated December 22, 2011 to the Chairman of CM-FISB, management decided to apply the provisions of ISFAS 8, in accordance with SFAS 30, on its Power Supply Contracts since January 1, 2012.

**Accounting treatment since
January 1, 2016**

On March 1, 2017, Financial Services Authority ("FSA") issued POJK No.6/POJK.04/2017 regarding Accounting

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Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik ("POJK No.6") yang diterapkan secara prospektif. Penerapan POJK tersebut mengakibatkan seluruh transaksi berdasarkan PPA dan ESC dengan IPP diperlakukan sebagai transaksi jual beli, meskipun dalam transaksi tersebut mengandung substansi selain jual beli, sehingga evaluasi apakah PPA dan IPP mengandung sewa tidak dilakukan (Catatan 2.a).

Treatment on Transactions based on Power Purchase Agreement ("POJK No.6") which is applied prospectively. The application of the POJK resulted in all transactions based on PPAs and ESCs with IPPs are treated as sale and purchase transactions, regardless those transactions contain substances other than sale and purchase, therefore evaluation on whether PPAs and ESCs with IPPs contain a lease is not performed (Note 2.a).

Klasifikasi Sewa

Sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset kepada lessee. Sewa lainnya, yang tidak memenuhi kriteria tersebut diklasifikasikan sebagai sewa operasi.

Lease Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards related to ownership of an asset to the lessee. All other leases are classified as operating leases.

Pembayaran sewa harus dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pengurangan dari liabilitas sewa sehingga mencapai suatu tingkat bunga konstan atas saldo liabilitas. Rental kontinjen dibebankan pada periode terjadinya.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rents are recognized as expenses in the periods in which they are incurred.

Pembayaran sewa operasi (dikurangi dengan insentif yang diterima dari lessor) diakui sebagai beban dengan dasar garis lurus (*straight-line basis*) selama masa sewa, kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat aset yang dinikmati pengguna. Rental kontinjen diakui dalam sewa operasi sebagai beban di dalam periode terjadinya.

Operating lease payments (net of any incentives received from the lessor) are recognized as expenses on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as expenses in the period in which they are incurred.

Di tahun 2015 Perusahaan dan entitas anak menetapkan bahwa beberapa perjanjian pembelian tenaga listrik dan perjanjian pembelian energi dengan Penghasil Listrik Independen (IPP) memenuhi persyaratan sebagai sewa dengan dasar bahwa Perusahaan dan entitas anak dan IPP memiliki perjanjian *take or pay*, dimana Perusahaan dan entitas anak mengambil hampir seluruh listrik dan energi yang dihasilkan oleh pembangkit listrik. Jenis perjanjian ini ditetapkan sebagai sewa pembiayaan dimana porsi signifikan dari risiko dan manfaat atas sejumlah pembangkit listrik

In 2015, the Company and its subsidiaries determined that certain power purchase agreements and energy sales contracts with Independent Power Producers (IPPs) qualify as leases on the basis that the Company and its subsidiaries and the IPPs have take or pay arrangements where the Company and its subsidiaries are taking substantially all electricity and energy output from the power plants. This type of arrangement is determined to be a finance lease where a significant portion of the risks and rewards of ownership of certain power plants have been transferred to the Company and its

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telah dialihkan ke Perusahaan dan entitas anak dengan dasar bahwa masa sewa adalah untuk sebagian besar umur ekonomis aset dan terdapat opsi beli pada akhir masa sewa.

subsidiaries on the basis that the lease term is for the major part of the economic life of the assets and there is a bargain purchase option at the end of the lease term.

m. Pekerjaan Dalam Pelaksanaan

Pekerjaan dalam pelaksanaan merupakan biaya-biaya yang berhubungan langsung dengan pembangunan aset tetap. Pekerjaan dalam pelaksanaan dinyatakan sebesar biaya perolehan, termasuk biaya pinjaman selama masa pembangunan dari pinjaman yang digunakan untuk pembangunan, beban penyusutan aset tetap yang digunakan dalam pekerjaan pembangunan dan biaya pengujian ketika aset dapat berfungsi setelah dikurangi penjualan listrik ketika masa uji coba. Pekerjaan dalam pelaksanaan akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

m. Construction in Progress

Construction in progress represents costs directly related to the construction of property, plant and equipment. Construction in progress is stated at cost, which includes borrowing costs during construction on debts incurred to finance the construction, depreciation of property and equipment that were used in the construction and cost of testing whether the asset is functioning properly after deducting sales of electricity during commissioning period. Construction in progress is transferred to the respective property, plant and equipment account when completed and ready for use.

n. Biaya Pinjaman

Biaya pinjaman yang dapat diatribusikan secara langsung dengan perolehan, konstruksi atau pembuatan aset kualifikasian, merupakan aset yang membutuhkan waktu yang cukup lama agar siap untuk digunakan atau dijual, ditambahkan pada biaya perolehan aset tersebut, sampai dengan saat selesainya aset secara substansial siap untuk digunakan atau dijual.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are assets that necessarily take a substantial period of time to get ready for their intended use or sale, to be added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Untuk pinjaman yang tidak dapat diatribusikan secara langsung pada suatu aset kualifikasian, jumlah yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi terhadap jumlah yang dikeluarkan untuk memperoleh aset kualifikasian. Tingkat kapitalisasi dihitung berdasarkan rata-rata tertimbang biaya pinjaman yang dibagi dengan jumlah pinjaman yang tersedia selama periode, selain pinjaman yang secara spesifik diambil untuk tujuan memperoleh suatu aset kualifikasian.

For borrowings that are not directly attributable to a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expensed on the qualifying assets. The capitalization rate is the weighted average of the total borrowings cost applicable to the total borrowings outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Biaya pinjaman dikapitalisasi yang berasal dari rugi selisih kurs dibatasi sedemikian rupa sehingga jumlah dikapitalisasi tidak melebihi jumlah biaya pinjaman yang mungkin terjadi jika pinjaman tersebut dilakukan dengan menggunakan mata uang fungsional pada periode tersebut.

Borrowing costs are capitalized from foreign exchange losses to an extent by which the capitalized amount does not exceed the amount of borrowing costs which may have been incurred had the loan been denominated in the functional currency.

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Penghasilan investasi diperoleh atas investasi sementara dari pinjaman yang secara spesifik belum digunakan untuk pengeluaran aset kualifikasian dikurangi dari biaya pinjaman yang dikapitalisasi.

Investment income is earned from the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Semua biaya pinjaman lainnya diakui dalam laba rugi pada periode terjadinya.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Properti Investasi

Properti investasi adalah properti (tanah atau bangunan atau bagian dari suatu bangunan atau kedua-duanya) yang dikuasai oleh pemilik atau penyewa melalui sewa pembiayaan untuk menghasilkan sewa atau untuk kenaikan nilai atau kedua-duanya, dan tidak untuk digunakan dalam produksi atau penyediaan barang atau jasa atau untuk tujuan administratif; atau dijual dalam kegiatan usaha sehari-hari.

o. Investment Properties

Investment properties are properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the daily business activities.

Properti investasi diakui sebagai aset jika dan hanya jika besar kemungkinan manfaat ekonomis masa depan yang terkait dengan properti investasi akan mengalir ke entitas anak; dan biaya perolehan properti investasi dapat diukur dengan andal.

Investment property is recognized as an asset when, and only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably.

Properti investasi pada awalnya diukur sebesar biaya perolehan, meliputi harga pembelian dan setiap pengeluaran yang dapat diatribusikan secara langsung (biaya jasa hukum, pajak pengalihan properti, dan biaya transaksi lain). Biaya transaksi termasuk dalam pengukuran awal tersebut.

An investment property shall be measured initially at its cost, comprises its purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). Transaction costs are included in the initial measurement.

Setelah pengakuan awal, Perusahaan dan entitas anak memilih menggunakan model nilai wajar dan mengukur seluruh properti investasi berdasarkan nilai wajar. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar properti investasi diakui dalam laba rugi pada periode terjadinya.

After initial recognition, the Company and its subsidiaries choose to use fair value model and measure all of its investment property at fair value. Any gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

Penentuan nilai wajar investasi didasarkan pada penilaian oleh penilai independen yang mempunyai kualifikasi profesional yang telah diakui dan relevan serta memiliki pengalaman terkini di lokasi dan kategori properti investasi yang dinilai.

The fair value of investment property is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

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Pengalihan ke properti investasi dilakukan jika, dan hanya jika, terdapat perubahan penggunaan yang ditunjukkan dengan berakhirnya pemakaian oleh pemilik dan dimulainya sewa operasi kepada pihak lain.

Pengalihan dari properti investasi dilakukan jika, dan hanya jika, terdapat perubahan penggunaan yang ditunjukkan dengan dimulainya penggunaan oleh pemilik dan dimulainya pengembangan untuk dijual.

Properti investasi dihentikan pengakuannya pada saat dilepaskan atau ketika tidak digunakan lagi secara permanen dan tidak memiliki manfaat ekonomi masa depan yang diperkirakan dari pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian atau pelepasan ditentukan dari selisih antara hasil neto pelepasan dan jumlah tercatat aset, dan diakui dalam laba rugi pada periode terjadinya penghentian atau pelepasan.

p. Investasi pada Entitas Asosiasi dan Ventura Bersama

Investasi pada Entitas Asosiasi

Entitas asosiasi adalah seluruh entitas dimana Perusahaan dan entitas anak memiliki pengaruh signifikan namun bukan pengendalian, biasanya melalui kepemilikan hak suara antara 20% dan 50%. Investasi entitas asosiasi dicatat dengan metode ekuitas. Sesuai metode ekuitas, investasi pada awalnya dicatat pada biaya, dan nilai tercatat akan meningkat atau menurun untuk mengakui bagian investor atas laba rugi. Di dalam investasi Perusahaan dan entitas anak atas entitas asosiasi termasuk *goodwill* yang diidentifikasi ketika akuisisi.

Penghasilan dan aset dan liabilitas dari entitas asosiasi digabungkan dalam laporan keuangan konsolidasian dicatat dengan menggunakan metode ekuitas, kecuali ketika investasi diklasifikasikan sebagai dimiliki untuk dijual, sesuai PSAK 58 (Revisi 2009), Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan. Dalam menerapkan metode

Transfer to investment property made when, and only when, there is a change in use, evidenced by end of owner-occupation and commencement of an operating lease to another party.

Transfer from investment property made when, and only when, there is a change in use, evidenced by commencement of owner-occupation and commencement of development with a view to sale.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period of the retirement or disposal.

p. Investments in Associates and Joint Ventures

Investments in Associates

Associates are all entities over which the Company and its subsidiaries have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or the loss of the investee after the date of acquisition. The Company and its subsidiaries investment in associates includes goodwill identified on acquisition.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when investment is classified as held for sale, in which case, it is accounted for in accordance with SFAS 58 (Revised 2009), Non-Current Assets Held for Sale and Discontinued Operations. In applying

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ekuitas, bagian Perusahaan dan entitas anak atas laba rugi atas entitas asosiasi setelah perolehan diakui dalam laba rugi, dan bagian perusahaan atas pendapatan komprehensif lainnya setelah tanggal perolehan diakui dalam pendapatan komprehensif lainnya. Perubahan dan penerimaan distribusi dari entitas asosiasi setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi. Bagian Perusahaan dan entitas anak atas kerugian entitas asosiasi yang melebihi nilai tercatat dari investasi (yang mencakup semua kepentingan jangka panjang, secara substansi, merupakan bagian dari Perusahaan dan nilai investasi bersih entitas anak dalam entitas asosiasi) diakui hanya sebatas bahwa Perusahaan dan entitas anak telah mempunyai kewajiban hukum atau kewajiban konstruktif atau melakukan pembayaran atas kewajiban entitas asosiasi.

Keuntungan yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dengan entitas asosiasi dieliminasi sebesar bagian Perusahaan dan entitas anak dalam entitas asosiasi. Kerugian yang belum direalisasi juga dieliminasi kecuali transaksi tersebut memberikan bukti penurunan nilai atas aset yang ditransfer. Kebijakan akuntansi entitas asosiasi akan disesuaikan, apabila diperlukan, agar konsisten dengan kebijakan akuntansi Perusahaan dan entitas anak.

Pada setiap tanggal pelaporan Perusahaan dan entitas anak menentukan apakah ada bukti objektif bahwa terdapat indikasi penurunan nilai untuk menentukan apakah perlu untuk mengakui penurunan nilai sehubungan dengan investasi pada entitas asosiasi Perusahaan dan entitas anak. Jika terdapat indikasi penurunan nilai, jumlah tercatat investasi yang tersisa (termasuk *goodwill*) diuji penurunan nilai sesuai dengan PSAK 48 (Revisi 2014), Penurunan Nilai Aset, sebagai suatu aset tunggal dengan membandingkan antara jumlah terpulihkan (mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi biaya untuk menjual) dengan jumlah tercatatnya. Rugi penurunan nilai yang diakui pada keadaan tersebut tidak dialokasikan pada setiap aset yang

the equity method of accounting, the Company and its subsidiaries' share of its associate's post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from an associate are adjusted against the carrying amounts of the investment. Losses of the associates in excess of the Company and its subsidiaries' interests in those associates (which includes any long-term interests that, in substance, form part of the Company and its subsidiaries' net investment in the associate) are recognized only to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its subsidiaries and associates are eliminated to the extent of the Company and its subsidiaries interests in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of the associates have been changed when necessary to ensure consistency with the accounting policy adopted by the Company and its subsidiaries.

The Company and its subsidiaries determine at each reporting date whether there is any objective evidence that impairment indicators exist to determine whether it is necessary to recognize any impairment loss with respect to the Company and its subsidiaries' investment in an associate. If impairment indicators exist, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFAS 48 (Revised 2014), Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in

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membentuk bagian dari nilai tercatat investasi pada entitas asosiasi. Setiap pembalikan dari penurunan nilai diakui sesuai dengan PSAK 48 sepanjang jumlah terpulihkan dari investasi tersebut kemudian meningkat.

Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas sejak tanggal ketika investasinya berhenti menjadi investasi pada entitas asosiasi sebagai berikut:

- (a) jika investasi menjadi entitas anak.
- (b) jika sisa kepentingan dalam entitas asosiasi merupakan aset keuangan, maka Perusahaan dan entitas anak mengukur sisa kepentingan tersebut pada nilai wajar.
- (c) ketika Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas, Perusahaan dan entitas anak mencatat seluruh jumlah yang sebelumnya telah diakui dalam penghasilan komprehensif lain yang terkait dengan investasi tersebut menggunakan dasar perlakuan yang sama dengan yang disyaratkan jika *investee* telah melepaskan secara langsung aset dan liabilitas terkait.

Ketika Perusahaan dan entitas anak melakukan transaksi dengan entitas asosiasi, keuntungan dan kerugian dieliminasi sebesar kepentingan mereka dalam entitas asosiasi.

Bagian partisipasi dalam ventura bersama
Menurut PSAK 66 (Revisi 2015), pengaturan bersama diklasifikasikan sebagai operasi bersama atau ventura bersama bergantung pada hak dan kewajiban kontraktual para investor. Perusahaan dan entitas anak telah menilai sifat dari pengaturan bersama dan menentukan pengaturan tersebut sebagai ventura bersama.

Hasil operasi, aset dan liabilitas dari ventura bersama disajikan dalam laporan keuangan konsolidasian menggunakan metode ekuitas. Dalam menerapkan metode ekuitas, bagian perusahaan dan entitas anak atas laba rugi atas ventura bersama setelah perolehan diakui dalam laba rugi, dan bagian perusahaan atas

accordance with SFAS 48 to the extent that the recoverable amount of the investment subsequently increases.

The Company and its subsidiaries discontinue the use of the equity method from the date when its investment ceases to be an associate as follows:

- (a) if the investment becomes a subsidiary.*
- (b) If the retained interest in the former associate is a financial asset, the Company and its subsidiaries measure the retained interest at fair value.*
- (c) When the Company and its subsidiaries discontinue the use of the equity method, the Company and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.*

When the Company and its subsidiaries transact with an associate, profits and losses are eliminated to the extent of their interest in the relevant associate.

Interest in joint ventures

Under SFAS 66 (Revised 2015), investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company and its subsidiaries have assessed the nature of its joint arrangements and determined them to be joint ventures.

The result of operations and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method. In applying the equity method of accounting, the company and its subsidiaries' share of its joint venture's post-acquisition profits or losses is recognized in profit or loss and its share

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pendapatan komprehensif lainnya setelah tanggal perolehan diakui dalam pendapatan komprehensif lainnya. Perubahan dan penerimaan distribusi dari ventura bersama setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi.

Jika bagian Perusahaan dan entitas anak atas rugi ventura bersama sama dengan atau melebihi kepentingannya pada ventura bersama, termasuk piutang tidak lancar tanpa jaminan, maka perusahaan menghentikan pengakuan bagiannya atas rugi lebih lanjut, kecuali perusahaan dan entitas anak memiliki kewajiban untuk melakukan pembayaran atau telah melakukan pembayaran atas nama ventura bersama.

Penyesuaian dibentuk terhadap laporan keuangan konsolidasian untuk mengeliminasi bagian Perusahaan dan entitas anak atas keuntungan dan kerugian yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dan ventura bersama. Ventura bersama dicatat dengan menggunakan metode ekuitas sampai dengan tanggal dimana Perusahaan dan entitas anak kehilangan pengaturan bersama atas entitas yang diatur bersama.

Kebijakan akuntansi ventura bersama telah diubah jika diperlukan untuk memastikan konsistensi dari kebijakan yang diterapkan oleh Perusahaan dan entitas anak.

Perusahaan dan entitas anak mengukur dan mengakui sisa investasi pada nilai wajar setelah hilangnya pengendalian dan ventura bersama tidak menjadi entitas anak atau entitas asosiasi. Selisih antara nilai tercatat atas hilangnya ventura bersama dengan agregat nilai wajar sisa investasi dan hasil pelepasan diakui pada laba rugi. Ketika sisa investasi mempunyai pengaruh yang signifikan, investasi tersebut dicatat sebagai investasi pada entitas asosiasi.

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of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from a joint venture are adjusted against the carrying amounts of the investment.

When the Company and its subsidiaries' share of the losses of a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the company does not recognize further losses, unless it has obligations to make or has made payments on behalf of the joint venture.

Adjustments are made in the consolidated financial statements to eliminate the Company and its subsidiaries' share of unrealized gains and losses on transactions between the Company and its subsidiaries and the joint ventures. The joint ventures are carried at equity method until the date on which the Company and its subsidiaries cease to have joint arrangements over the joint ventures.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company and its subsidiaries.

The Company and its subsidiaries measure and recognize the remaining investment at fair value upon loss of control, provided the joint ventures do not become subsidiaries or associates. Any difference between the carrying amount of the joint ventures upon loss of control and the aggregate of the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

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q. Aset Tak Berwujud

i. Biaya Pengembangan Piranti Lunak

Biaya yang terkait dengan pemeliharaan program piranti lunak komputer diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan kepada desain dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Perusahaan dan entitas anak diakui sebagai aset tak berwujud. Biaya pengembangan piranti lunak komputer diakui sebagai aset yang diamortisasi dengan metode garis lurus berdasarkan estimasi masa manfaatnya.

ii. Biaya Legal Terkait Pembaruan Hak Atas Tanah

Biaya legal terkait dengan pembaruan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak.

Setelah pengakuan awal, aset takberwujud dicatat pada biaya perolehan dikurangi akumulasi amortisasi dan akumulasi rugi penurunan nilai. Umur manfaat aset takberwujud dinilai apakah terbatas atau tidak terbatas.

Aset takberwujud dengan umur manfaat terbatas

Aset takberwujud dengan umur manfaat terbatas diamortisasi selama umur manfaat ekonomi dengan metode garis lurus (atau metode lainnya sepanjang mencerminkan pola manfaat ekonomik masa depan yang diperkirakan dikonsumsi oleh entitas).

Biaya Pengembangan Piranti Lunak diamortisasi dengan tingkat amortisasi sebesar 20% dengan metode garis lurus.

Biaya legal terkait pembaruan hak atas tanah diamortisasi sepanjang mana yang lebih pendek antara masa berlaku hukum hak atau umur ekonomi tanah.

Periode amortisasi dan metode amortisasi untuk aset takberwujud dengan umur manfaat terbatas ditelaah setidaknya setiap akhir tahun buku.

q. Intangible Assets

i. Software Development Cost

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company and its subsidiaries are recognized as intangible assets. Computer software development costs recognized as assets are amortized using the straight line method over their estimated useful lives.

ii. Legal Costs to Renew Land Rights

Legal costs related to renewal of land rights are recognized as intangible assets and amortized over the period of the land rights.

After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

Intangible asset with finite useful life

Intangible asset with finite life is amortized over the economic useful life by using a straight-line method (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity).

Software Development Cost is amortized with amortization rate of 20% using straight line method.

Legal costs to renew land rights are amortized over the validity period of the legal rights or the economic life of the land, whichever the shorter.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

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Aset takberwujud dengan umur manfaat tidak terbatas

Aset takberwujud dengan umur manfaat tidak terbatas tidak diamortisasi. Umur manfaat aset takberwujud yang tidak diamortisasi ditelaah setiap tahun untuk menentukan apakah peristiwa dan keadaan dapat terus mendukung penilaian bahwa umur manfaat tetap tidak terbatas. Jika tidak, perubahan umur manfaat dari tidak terbatas menjadi terbatas diterapkan secara prospektif.

Aset takberwujud dengan umur manfaat tidak terbatas diuji untuk penurunan nilai setiap tahun dan kapanpun terdapat suatu indikasi bahwa aset takberwujud mungkin mengalami penurunan nilai.

r. Biaya Dibayar Dimuka

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

s. Kas dan Setara Kas

Untuk tujuan penyajian arus kas, kas dan setara kas terdiri dari kas, bank dan semua investasi yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan tidak dijamin serta tidak dibatasi penggunaannya.

Rekening bank dan deposito berjangka dibatasi penggunaannya diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Untuk kebijakan akuntansi pinjaman yang diberikan dan piutang, lihat Catatan 3.g.

t. Persediaan

Persediaan dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan ditentukan dengan metode rata-rata bergerak.

Di dalam penentuan nilai realisasi bersih, Perusahaan dan entitas anak tidak menurunkan nilai persediaan yang digunakan untuk produksi tenaga listrik apabila Perusahaan dan entitas anak mampu memperoleh pendapatan penjualan tenaga listrik di atas biaya perolehan persediaan tersebut.

Intangible asset with indefinite useful life

Intangible asset with indefinite useful life is not amortized. The useful life of an intangible asset that is not being amortized is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite useful life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

r. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

s. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash in hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

Restricted cash in banks and time deposits are classified as loans and receivables. Refer to Note 3.g for the accounting policy on loans and receivables.

t. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the moving average method.

In determining the net realizable values, the Company and its subsidiaries do not write down inventories held in use for production of electricity below their costs when the Company and its subsidiaries are able to sell electricity above the costs of inventories.

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**u. Pinjaman dan Utang Obligasi
(Termasuk Sukuk Ijarah)**

Pinjaman dan utang obligasi diklasifikasikan sebagai liabilitas keuangan. Kebijakan akuntansi untuk liabilitas keuangan dijelaskan dalam Catatan 3.h.

v. Pengakuan Pendapatan dan Beban

Penjualan Tenaga Listrik

Pendapatan penjualan listrik diakui berdasarkan pemakaian energi listrik (kWh). Beban diakui pada saat terjadinya (dasar akrual).

Subsidi Listrik Pemerintah

Subsidi listrik Pemerintah yang diberikan melalui Perusahaan diakui sebagai pendapatan atas dasar akrual yang dihitung berdasarkan ketentuan Peraturan Menteri Keuangan Republik Indonesia No. 170/PMK.02/2013 tanggal 28 November 2013 dan Peraturan Menteri ESDM No. 09 Tahun 2015 tentang perubahan atas Peraturan Menteri ESDM No. 31 Tahun 2014 tentang tarif tenaga listrik yang disediakan oleh Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara.

Biaya Penyambungan Pelanggan

Perusahaan mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi tersebut.

Pendapatan Usaha Lainnya

Pendapatan usaha lainnya merupakan pendapatan yang berasal dari pelayanan jaringan dan jasa telekomunikasi, sewa trafo dan jasa-jasa administratif lainnya. Pendapatan lainnya diakui dengan mengacu pada tingkat penyelesaian transaksi tersebut pada tanggal pelaporan.

Pendapatan Bunga

Pendapatan bunga diakui pada saat terjadinya dengan dasar akrual, dengan acuan jumlah pokok terutang dan tingkat bunga yang berlaku.

Beban

Beban diakui pada saat terjadinya dengan dasar akrual.

**u. Borrowings and Bonds Payable
(Including Sukuk Ijara)**

Borrowings and bonds payable are classified as financial liabilities. Refer to Note 3.h for the accounting policy on financial liabilities.

v. Revenue and Expense Recognition

Sale of Electricity

Revenue from the sale of electricity is recognized based on electricity usage (kWh). Expenses are recognized when incurred (accrual basis).

The Government's Electricity Subsidy

The Government's electricity subsidy is recognized as revenue on an accrual basis which is computed in accordance with the provisions stipulated in the prevailing Decree of the Ministry of Finance of the Republic of Indonesia No. 170/PMK.02/2013 dated November 28, 2013 and Minister of ESDM Regulation No. 09 Year 2015 regarding changes on the Minister ESDM Regulation No. 31 Year 2014 regarding electricity tariff provided by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara.

Customers Connection Fees

The Company recognizes connection fees received from customers that are used to construct or acquire property, plant and equipment to connect the customers to its network as revenues when the Company completes the connection service.

Other Revenues

Other revenues consist of telecommunication network and services, transformer rental and other administrative services. Other revenue is recognized with reference to the stage of completion of the transaction at the reporting date.

Interest Income

Interest revenue is recognized as incurred on an accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized as incurred on an accrual basis.

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w. Pembelian Tenaga Listrik

Dalam PPA dan ESC dengan IPP, Perusahaan dan entitas anak membayar pasokan tenaga listrik yang disediakan oleh IPP sebesar jumlah yang ditentukan berdasarkan formula pembayaran. Pembayaran tersebut mencakup komponen biaya berbeda yaitu komponen kapasitas dan energi untuk PPA, komponen sumber daya dan pembangkitan untuk ESC, komponen operasional dan pemeliharaan yang tergantung pada tingkat pasokan energi serta variabel lain yang ditentukan dalam perjanjian.

**Perlakuan akuntansi sebelum
1 Januari 2016**

Perusahaan dan entitas anak menerapkan ISAK 8 dan mengevaluasi apakah PPA dan ESC dengan IPP mengandung unsur sewa. Apabila terdapat unsur sewa, maka Perusahaan dan entitas anak melakukan kajian untuk menentukan apakah sewa tersebut diklasifikasikan sebagai sewa pembiayaan atau sewa operasi (Catatan 3.l). Jika PPA dan ESC dengan IPP tidak mengandung sewa, maka biaya pembelian tenaga listrik dari IPP diakui pada saat terjadinya dan disajikan sebagai beban pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

**Perlakuan akuntansi sejak
1 Januari 2016**

Penerapan POJK No.6 secara prospektif sejak 1 Januari 2016, mengakibatkan seluruh transaksi berdasarkan PPA dan ESC dengan IPP diperlakukan sebagai transaksi jual beli, meskipun dalam transaksi tersebut mengandung substansi selain jual beli. Biaya pembelian tenaga listrik dari IPP diakui pada saat terjadinya dan disajikan sebagai beban pembelian tenaga listrik dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian (Catatan 2.a).

x. Imbalan Kerja

Imbalan Paska Kerja

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Perusahaan dan

w. Purchase of Electricity

Under PPAs and ESCs with IPPs, the Company and its subsidiaries pay the IPP for the supply of energy at an amount determined in accordance with the payment formula in which payment for different cost components, such as capacity and energy components for the PPA, resource and generation components for the ESC, as well as operations and maintenance components, depends on the level of energy supplied and other variables stipulated in the agreement.

**Accounting treatment before January 1,
2016**

The Company and its subsidiaries implemented ISFAS 8 and evaluated whether PPAs with IPPs contain a lease. When a lease is identified, the Company and its subsidiaries perform assessment on whether such lease is classified as finance lease or operating lease (Note 3.l). If PPA and ESC with IPP does not contain a lease, the cost of electricity purchases from IPPs are recognized when incurred as purchased electricity expense and presented in consolidated statements of profit or loss and other comprehensive income.

**Accounting treatment since
January 1, 2016**

The prospective implementation of POJK No.6 since January 1, 2016 resulted in all transactions based on PPAs and ESCs with IPPs are treated as sale and purchase transactions, regardless those transactions contain substances other than sale and purchase. The cost of electricity purchases from IPPs are recognized when incurred as purchased electricity expense and presented in consolidated statements of profit or loss and other comprehensive income (Note 2.a).

x. Employee Benefits

Post-employment Benefits

The Company and its subsidiaries have established a defined benefit pension plan covering all of their eligible permanent employees. The Company and its

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entitas anak juga memberikan imbalan pascakerja lain tanpa pendanaan kepada karyawan yang memenuhi persyaratan sesuai dengan kebijakan Perusahaan dan entitas anak.

Sehubungan dengan program imbalan pasti, liabilitas diakui pada laporan posisi keuangan sebesar nilai kini kewajiban imbalan pasti pada akhir periode pelaporan dikurangi nilai wajar aset program. Kewajiban imbalan pasti dihitung setiap tahun oleh aktuaris yang independen dengan menggunakan metode *Projected Unit Credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan arus kas keluar yang diestimasi dengan menggunakan tingkat bunga Obligasi Pemerintah (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) yang didenominasikan dalam mata uang dimana imbalan akan dibayarkan dan memiliki jangka waktu jatuh tempo mendekati jangka waktu kewajiban pensiun.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui pendapatan komprehensif lainnya pada saat terjadinya.

Biaya jasa lalu diakui segera dalam laba rugi.

Imbalan Kerja Jangka Panjang

Perhitungan imbalan kerja jangka panjang ditentukan dengan menggunakan *Projected Unit Credit*. Biaya jasa lalu diakui segera dalam laba rugi. Perusahaan dan entitas anak mengakui keuntungan dan kerugian atas kurtailmen atau penyelesaian suatu program imbalan pasti ketika kurtailmen atau penyelesaian tersebut terjadi. Keuntungan atau kerugian atas kurtailmen atau penyelesaian program manfaat pasti diakui di laba rugi ketika kurtailmen atau penyelesaian tersebut terjadi.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui laba rugi.

subsidiaries also provide other unfunded defined post-employment benefit plans for their qualifying employees based on the Company and its subsidiaries' policies.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

Long-term Benefits

Long-term benefits are determined using the Projected Unit Credit Method. Past service costs are recognized immediately in profit or loss. The Company and its subsidiaries recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement of a defined benefit plan is recognized in profit or loss when the curtailment or settlement occurs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions charged to profit or loss.

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Jumlah yang diakui sebagai liabilitas imbalan kerja jangka panjang di laporan posisi keuangan konsolidasian merupakan nilai kini liabilitas imbalan kerja pasti.

The long-term employee benefits obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

y. Provisi

Provisi diakui ketika Perusahaan dan entitas anak memiliki kewajiban kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu, kemungkinan besar Perusahaan dan entitas anak diharuskan menyelesaikan kewajiban dan estimasi andal mengenai jumlah kewajiban tersebut dapat dibuat.

y. Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event and it is probable that the Company and its subsidiaries will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Jumlah yang diakui sebagai provisi merupakan estimasi terbaik dari pertimbangan yang diperlukan untuk menyelesaikan kewajiban kini pada akhir periode pelaporan, dengan mempertimbangkan risiko dan ketidakpastian yang meliputi kewajibannya. Apabila suatu provisi diukur menggunakan arus kas yang diperkirakan untuk menyelesaikan kewajiban kini, maka nilai tercatatnya adalah nilai kini dari arus kas.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Ketika beberapa atau seluruh manfaat ekonomi untuk penyelesaian provisi yang diharapkan dapat dipulihkan dari pihak ketiga, piutang diakui sebagai aset apabila terdapat kepastian bahwa penggantian akan diterima dan jumlah piutang dapat diukur secara andal.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

z. Pajak Penghasilan

Beban pajak adalah jumlah gabungan pajak kini dan pajak tangguhan yang diperhitungkan dalam menentukan laba rugi pada suatu periode. Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku.

z. Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Pajak kini dan pajak tangguhan diakui sebagai beban atau penghasilan dalam laba rugi, kecuali sepanjang pajak penghasilan yang berasal dari transaksi atau kejadian yang diakui, diluar laba rugi (baik dalam pendapatan komprehensif lain maupun secara langsung di ekuitas), dalam hal tersebut pajak juga diakui di luar laporan laba rugi atau yang timbul dari

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a

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akuntansi awal atau kombinasi bisnis. Dalam kasus kombinasi bisnis, pengaruh pajak termasuk dalam akuntansi kombinasi bisnis.

Untuk pendapatan yang menjadi subjek pajak penghasilan final, beban pajak diakui secara proporsional dengan jumlah pendapatan akuntansi yang diakui dan disajikan dalam sebagai bagian dari akun beban operasional pada tahun berjalan dikarenakan pajak tersebut tidak memenuhi kriteria sebagai pajak penghasilan.

Jumlah pajak kini untuk periode berjalan dan periode sebelumnya yang belum dibayar diakui sebagai liabilitas. Jika jumlah pajak yang telah dibayar untuk periode berjalan dan periode-periode sebelumnya melebihi jumlah pajak yang terutang untuk periode tersebut, maka kelebihannya diakui sebagai aset. Liabilitas (aset) pajak kini untuk periode berjalan dan periode sebelumnya diukur sebesar jumlah yang diperkirakan akan dibayar kepada (direstitusi dari) otoritas perpajakan, yang dihitung menggunakan tarif pajak (dan undang-undang pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

Manfaat terkait dengan rugi pajak yang dapat ditarik untuk memulihkan pajak kini dari periode sebelumnya diakui sebagai aset. Aset pajak tangguhan diakui untuk akumulasi rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk dimanfaatkan dengan rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan.

Seluruh perbedaan temporer kena pajak diakui sebagai liabilitas pajak tangguhan, kecuali perbedaan temporer kena pajak yang berasal dari:

- a) pengakuan awal *goodwill*; atau
- b) pengakuan awal aset atau liabilitas dari transaksi yang bukan kombinasi bisnis dan pada saat transaksi tidak mempengaruhi laba akuntansi atau laba kena pajak (rugi pajak).

business combination, the tax effect is included in the accounting for the business combination.

For income which is subject to final tax, tax expenses are recognized proportionally with the accounting revenue recognized and presented as part of the operating expenses account in the current year as such tax does not satisfy the criteria of income tax.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amounts already paid in respect of current and prior periods exceed the amounts due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carryforward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a) *the initial recognition of goodwill; or*
- b) *the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).*

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Aset dan liabilitas pajak tangguhan diakui atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan konsolidasian dengan dasar pengenaan pajak aset dan liabilitas. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diekspektasikan berlaku dalam periode ketika liabilitas diselesaikan atau aset dipulihkan dengan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Perusahaan dan entitas anak ekspektasikan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

Jumlah tercatat aset pajak tangguhan dikaji ulang pada akhir periode pelaporan dan dikurangi jumlah tercatatnya jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut.

Aset dan liabilitas pajak tangguhan saling hapus, jika dan hanya jika, ketika entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini dan ketika aset pajak tangguhan dan ketika liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama serta Perusahaan dan entitas anak yang berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and deferred tax liabilities reflects the consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset, if and only if, when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and its subsidiaries intend to settle their current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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depan dimana jumlah signifikan atas aset atau liabilitas pajak tangguhan diperkirakan untuk diselesaikan atau dipulihkan.

aa. Aset Donasi dari Pemerintah

Aset donasi dari Pemerintah, dalam kapasitasnya sebagai pemegang saham Perusahaan, diakui sebagai transaksi ekuitas dengan pemegang saham. Aset yang didonasikan tersebut dicatat sesuai dengan nilai transaksi yang telah disepakati dengan Pemerintah. Perusahaan mencatat aset donasi dari Pemerintah sebagai penambahan aset tetap dan peningkatan tambahan modal disetor oleh pemegang saham.

bb. Aset dan Liabilitas Pengampunan Pajak

Aset Pengampunan Pajak dan Liabilitas Pengampunan Pajak diakui pada saat Surat Keterangan Pengampunan Pajak ("SKPP") diterbitkan oleh Menteri Keuangan Republik Indonesia, dan tidak diakui secara neto (saling hapus). Selisih antara Aset Pengampunan Pajak dan Liabilitas Pengampunan Pajak diakui sebagai Tambahan Modal Disetor.

Aset Pengampunan Pajak pada awalnya diakui sebesar nilai yang disetujui dalam SKPP.

Liabilitas Pengampunan Pajak pada awalnya diakui sebesar nilai kas dan setara kas yang masih harus dibayarkan oleh Perusahaan sesuai kewajiban kontraktual atas perolehan Aset Pengampunan Pajak.

Uang tebusan yang dibayarkan oleh Perusahaan untuk memperoleh pengampunan pajak diakui sebagai beban pada periode dimana SKPP diterima oleh Perusahaan.

Setelah pengakuan awal, Aset dan Liabilitas Pengampunan Pajak diukur sesuai dengan SAK yang relevan sesuai dengan klasifikasi masing-masing Aset dan Liabilitas Pengampunan Pajak.

Sehubungan dengan Aset dan Liabilitas Pengampunan Pajak yang diakui, Perusahaan dan entitas anak telah mengungkapkan dalam laporan keuangannya:

- a. Tanggal SKPP;
- b. Jumlah yang diakui sebagai Aset Pengampunan Pajak sesuai SKPP; dan

aa. Government Contributed Assets

Assets contributed by the Government, in their capacity as a shareholder of the Company, are accounted for as an equity transaction with the shareholder. The assets are recorded at the transaction costs agreed with the Government. The Company records the Government contributed asset as an addition to property, plant and equipment with a corresponding increase to additional payment in capital by the shareholder.

bb. Tax Amnesty Assets and Liabilities

Tax Amnesty Assets and Liabilities are recognized upon the issuance of Tax Amnesty Approval Letter ("TAAL") by the Ministry of Finance of Republic of Indonesia, and they are not recognized as net amount (offset). The difference between Tax Amnesty Assets and Tax Amnesty Liabilities are recognized as Additional Paid in Capital.

Tax Amnesty Assets are initially recognized at the value stated in TAAL.

Tax Amnesty Liabilities are initially measured at the amount of cash or cash equivalents to be settled by the Company according to the contractual obligation with respect to the acquisition of respective Tax Amnesty Assets.

The compensation paid by the Company to obtain the tax amnesty is recognized as expense in the period in which the Company receives TAAL.

After initial recognition, Tax Amnesty Assets and Liabilities are measured in accordance with respective relevant FAS according to the classification of each Tax Amnesty Assets and Liabilities.

With respect to Tax Amnesty Assets and Liabilities recognized, the Company and its subsidiaries has disclosed the following in its financial statements:

- a. The date of TAAL;
- b. Amount recognized as Tax Amnesty Assets in accordance with TAAL; and

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c. Jumlah yang diakui sebagai Liabilitas Pengampunan Pajak.

c. Amount recognized as Tax Amnesty Liabilities.

cc. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang diatribusikan kepada pemilik induk dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

cc. Earnings per Share

Basic earnings per share are computed by dividing income for the year attributable to the owners of the Company by the weighted average number of shares outstanding during the year.

Laba per saham dilusian dihitung dengan menyesuaikan jumlah rata-rata tertimbang saham biasa yang beredar dengan dampak dari semua efek berpotensi saham biasa yang dilutif yang dimiliki perusahaan. Perusahaan tidak memiliki efek berpotensi saham biasa yang dilutif.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares owned by the Company. The Company does not have any dilutive potential ordinary shares.

dd. Informasi Segmen

Segmen operasi diidentifikasi berdasarkan laporan internal mengenai komponen dari Perusahaan dan entitas anak yang secara regular direviu oleh "pengambil keputusan operasional" dalam rangka mengalokasikan sumber daya dan menilai kinerja segmen operasi.

dd. Segment Information

Operating segments are identified on the basis of internal reports about components of the Company and its subsidiaries and are regularly reviewed by the "chief operating decision maker" in order to allocate resources to the segments and to assess their performances.

Segmen yang dilaporkan adalah segmen operasi individual atau suatu grup segmen operasi yang informasi segmennya harus dilaporkan secara terpisah. Penggabungan satu atau lebih segmen operasi diperbolehkan ketika memenuhi kriteria tertentu, kriteria utama yang harus dipenuhi adalah segmen operasi harus memiliki karakteristik ekonomis yang sejenis (contoh margin keuntungan, persebaran, tingkat pertumbuhan penjualan, dll). Pertimbangan signifikan diperlukan ketika menentukan penggabungan segmen operasi.

Reportable segments are individual operating segments or a group of operating segments for which segment information must be separately reported. Aggregation of one or more operating segments into a single reportable segment is permitted (but not required) where certain conditions are met, the principal condition being that the operating segments should have similar economic characteristics (for example, profit margin, spreads, sales growth rates, etc). Whether multiple operating segments can be aggregated into a single reportable segment is a matter of significant judgement.

Wilayah Jawa Bagian Barat, Jawa Bagian Tengah dan Jawa Bagian Timur digabungkan sebagai satu segmen operasi dikarenakan memiliki karakteristik konsumen yang sejenis.

West Part of Java Area, Central Part of Java Area and East Part of Java Area is aggregated as single reportable segment due to similar characteristic of consumer.

Informasi yang digunakan oleh pengambil keputusan operasional dalam rangka alokasi sumber daya dan penilaian kinerja mereka dikategorikan berdasarkan lokasi geografis di mana penjualan tenaga listrik dilakukan.

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of their performance is grouped based on the geographical location of where electricity sales are made.

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**4. Pertimbangan Kritis Akuntansi dan
Estimasi Akuntansi yang Signifikan**

Dalam rangka penerapan kebijakan akuntansi Perusahaan dan entitas anak, sebagaimana dijelaskan dalam Catatan 3, manajemen diharuskan untuk membuat pertimbangan, estimasi dan asumsi tentang nilai aset dan liabilitas yang tidak tersedia dari sumber lain. Estimasi dan asumsi berdasarkan pengalaman historis dan faktor lain yang dianggap relevan. Hasil aktual dapat berbeda dari estimasi tersebut.

Estimasi dan asumsi yang mendasari direvisi secara berkelanjutan. Revisi terhadap estimasi akuntansi akan diakui pada periode dimana estimasi tersebut direvisi, jika revisi tersebut hanya berpengaruh terhadap periode tersebut, atau pada periode revisi dan periode berikutnya jika revisi tersebut mempengaruhi periode tersebut.

**Pertimbangan Kritis dalam Penerapan
Kebijakan Akuntansi**

Dalam proses penerapan kebijakan akuntansi yang dijelaskan dalam Catatan 3, Perusahaan dan entitas anak telah menentukan hal-hal berikut yang memerlukan pertimbangan signifikan:

Nilai Wajar Pembangkit Listrik Di Dalam Sewa
Pembiayaan

Sejumlah aset tetap dicatat berdasarkan sewa pembiayaan menurut PSAK 30. Pada saat dimulainya sewa, Perusahaan mengakui aset dan liabilitas sewa pembiayaan sebesar nilai wajar pembangkit listrik yang disewa atau, jika lebih rendah, nilai kini dari pembayaran sewa minimum, yang ditentukan pada awal masa sewa.

Perusahaan menetapkan nilai wajar dari pembangkit listrik yang disewa dengan menerapkan teknik penilaian yang sesuai dan asumsi-asumsi yang memadai, termasuk estimasi biaya yang perlu dikeluarkan untuk membangun pembangkit listrik terkait, suku bunga implisit dalam sewa dan nilai sisa aset pada masa akhir kontrak. Perubahan-perubahan selanjutnya atas asumsi yang digunakan untuk menentukan nilai wajar pada awal masa sewa tidak akan merubah nilai aset pembiayaan di masa mendatang.

**4. Critical Accounting Judgments and
Estimates**

In the application of the Company and its subsidiaries' accounting policies, which are described in Note 3, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgments in Applying Accounting
Policies**

In the process of applying the accounting policies described in Note 3, the Company and its subsidiaries has identified the following matters under which significant judgments are made:

Fair Value of Power Plants Held Under
Finance Leases

A number of property, plant and equipment are recorded based on finance lease arrangement, in accordance with SFAS 30. At the commencement of the lease, the Company recognizes the finance leased asset and liability at an amount equal to the fair value of the power plant or, if lower, the present value of the minimum lease payments, determined at the inception of the lease.

The Company determined the fair value of the finance leased power plant by applying the appropriate valuation techniques and assumptions, including the expected cost to build the power plant, the implicit interest rate of the lease and the residual value of the asset at the end of the contract. Any subsequent changes to the assumptions used to measure fair value at inception do not affect the subsequent measurement amount of the leased asset.

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Biaya Penyambungan Pelanggan

Perusahaan dan entitas anak mempertimbangkan semua fakta dan kondisi yang relevan untuk menentukan pengakuan pendapatan terkait biaya penyambungan pelanggan. Untuk itu, Perusahaan perlu menentukan kewajiban yang timbul sehubungan dengan penerimaan biaya penyambungan dari pelanggan.

Perusahaan dan entitas anak mempertimbangkan fakta bahwa kewajiban untuk menyediakan tenaga listrik secara berkelanjutan diatur dalam Undang-Undang Ketenagalistrikan tahun 2009 dan semua pelanggan dikenakan tarif listrik yang telah ditentukan oleh Pemerintah Republik Indonesia untuk penggunaan tenaga listrik (terlepas dari jumlah biaya penyambungan yang dibayarkan). Oleh karena itu, penerimaan biaya penyambungan tidak menimbulkan kewajiban terpisah bagi Perusahaan dan entitas anak untuk menyediakan akses listrik secara berkelanjutan kepada pelanggan.

Perusahaan dan entitas anak menyimpulkan bahwa menghubungkan pelanggan ke jaringan listrik Perusahaan merupakan jasa yang diberikan untuk mendapatkan biaya penyambungan dari pelanggan. Jasa koneksi diserahkan kepada pelanggan dan merepresentasikan nilai yang berdiri sendiri (*stand-alone value*) untuk pelanggan tersebut. Sebagai hasilnya, Perusahaan dan entitas anak mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi terkait.

Kepentingan dalam pengaturan bersama

Pertimbangan diperlukan untuk menentukan ketika Perusahaan dan entitas anak memiliki pengendalian bersama, yang membutuhkan penilaian mengenai aktivitas yang relevan dan ketika keputusan yang berkaitan dengan aktivitas tersebut membutuhkan persetujuan dengan suara bulat. Perusahaan dan entitas anak menentukan bahwa aktivitas yang relevan untuk pengaturan bersama adalah aktivitas yang berkaitan dengan operasi dan pengambilan keputusan dalam pengaturan tersebut.

Revenues from Customers' Connection Fees

The Company and its subsidiaries have considered all relevant facts and circumstances to determine the exact timing of revenue recognition pertaining to connection fees paid by customers. To do so, the Company needs to determine what performance obligations it has as a result of receiving connection fees.

The Company and its subsidiaries considered the facts that the obligation to provide ongoing supply of electricity is regulated by the 2009 Electricity Law and that the Company charges all customers the same regulated tariff for electricity usage prescribed by the Government of Republic of Indonesia (regardless of the amount of connection fees paid by the customers). Therefore, the receipt of connection fees does not create a separate performance obligation for the Company and its subsidiaries to provide ongoing electricity supply to its customers.

The Company and its subsidiaries conclude that connecting the customers to its network is the only service to be delivered in exchange for the connection fees. A service connection is delivered to the customer and represents stand-alone value for that customer. Consequently, the Company and its subsidiaries recognize connection fees received from customers that are used to construct or acquire property, plant and equipment to connect the customers to its network as revenues when the Company completes the connection services.

Joint Arrangements

Judgement is required to determine when the Company and its subsidiaries have joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company and its subsidiaries' have determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement.

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Pertimbangan juga diperlukan untuk mengklasifikasikan pengaturan bersama sebagai pengendalian bersama atau ventura bersama. Pengklasifikasian pengaturan tersebut mengharuskan Perusahaan dan entitas anak untuk menilai hak dan kewajiban yang timbul dari pengaturan tersebut. Secara khusus, Perusahaan dan entitas anak mempertimbangkan:

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Perusahaan dan entitas anak juga mempertimbangkan hak dan kewajiban yang timbul dari:
 - Bentuk legal dari kendaraan terpisah;
 - Persyaratan dari perjanjian kontraktual; dan
 - Fakta dan kondisi lain (ketika relevan).

Penilaian ini sering membutuhkan pertimbangan yang signifikan, dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Perusahaan dan entitas anak memiliki pengaturan bersama yang terstruktur melalui ventura bersama, yaitu PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekind Daya Mamuju, PT Unelec Indonesia, PT Crompton Prima Switchgear Indonesia, PT Shenhua Guohua Pembangkitan Jawa Bali, PT Guohua Taidian Pembangkit Jawa Bali dan PT GCL Indotenaga. Struktur dan persyaratan dari perjanjian kontraktual mengindikasikan bahwa Perusahaan dan entitas anak memiliki hak atas aset bersih dari pengaturan bersama tersebut. Perusahaan dan entitas anak menilai fakta dan kondisi lain yang berkaitan dengan pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama (Catatan 8).

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Company and its subsidiaries to assess its rights and obligations arising from the arrangement. Specifically, it considers:

- *The structure of the joint arrangement - whether it is structured through a separate vehicle*
- *When the arrangement is structured through a separate vehicle, the Company and its subsidiaries also considers the rights and obligations arising from:*
 - *The legal form of the separate vehicle;*
 - *The terms of the contractual arrangement; and*
 - *Other facts and circumstances (when relevant).*

This assessment often requires significant judgement and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Company and its subsidiaries have joint arrangements which are structured through joint ventures, namely PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekind Daya Mamuju, PT Unelec Indonesia, PT Crompton Prima Switchgear Indonesia, PT Shenhua Guohua Pembangkitan Jawa Bali, PT Guohua Taidian Pembangkit Jawa Bali dan PT GCL Indotenaga. These structure and the terms of the contractual arrangement indicate that the Company and its subsidiaries have rights to the net assets of the arrangements. The Company and its subsidiaries also assessed the other facts and circumstances relating to these arrangements and the final conclusions were that the arrangement was joint ventures (Note 8).

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Sumber Estimasi Ketidakpastian

Asumsi utama mengenai masa depan dan sumber estimasi lainnya pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan dibawah ini:

Rugi Penurunan Nilai Pinjaman Diberikan dan Piutang

Perusahaan dan entitas anak menilai penurunan nilai pinjaman diberikan dan piutang pada setiap tanggal pelaporan. Dalam menentukan apakah rugi penurunan nilai harus dicatat dalam laba rugi, manajemen membuat penilaian, apakah terdapat bukti objektif bahwa kerugian telah terjadi. Manajemen juga membuat penilaian atas metodologi dan asumsi untuk memperkirakan jumlah dan waktu arus kas masa depan yang direviu secara berkala untuk mengurangi perbedaan antara estimasi kerugian dan kerugian aktualnya. Nilai tercatat pinjaman diberikan dan piutang diungkapkan dalam Catatan 14 dan 16.

Taksiran Masa Manfaat Ekonomis Aset Tetap dan Properti Investasi

Nilai tercatat aset tetap dan properti investasi diungkapkan dalam Catatan 6 dan 7.

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan nilai tercatat aset tetap.

Nilai Wajar Aset Tetap dan Properti Investasi yang Menggunakan Model Revaluasi

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi dari model biaya menjadi model revaluasi untuk kelas aset tertentu. Pelaksanaan revaluasi aset tetap tersebut dilakukan oleh penilai publik independen.

Dalam proses penilaian, manajemen, dengan bantuan penilai publik independen, menentukan data dan asumsi, menelaah metode penilaian serta berdiskusi dengan penilai. Pendekatan dan metode yang digunakan dalam melakukan revaluasi tergantung pada kelas aset. Walaupun data dan asumsi Perusahaan dan entitas anak

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment Loss on Loans and Receivables

The Company and its subsidiaries assess their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes a judgement as to whether there is an objective evidence that the loss event has occurred. Management also makes judgement as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Notes 14 and 16.

Estimated Useful Lives of Property, Plant and Equipment and Investment Properties

The carrying amounts of property, plant and equipment and investment properties are disclosed in Notes 6 and 7, respectively.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and the carrying values of property, plant and equipment.

Fair Value of Property, Plant and Equipment and Investment Properties That Use Revaluation Model

On December 31, 2015, the Company and its subsidiaries changed their accounting policy from cost model to revaluation model for certain class of assets. The assets revaluation was performed by an independent public valuer.

Management, with the assistance of independent public valuer, determines the data inputs and assumption, assesses valuation method and hold discussions with the valuers as part of the valuation process. The approaches and methods used in the revaluation depend on the assets class. While it is believed that the Company and its

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dianggap tepat dan wajar, namun perubahan signifikan pada data input atau asumsi yang digunakan dapat berpengaruh secara signifikan terhadap nilai aset yang menggunakan model revaluasi.

Rincian dari pendekatan dan data input signifikan yang digunakan dalam melakukan revaluasi aset tetap dan properti investasi diungkapkan dalam Catatan 6 dan 7.

Imbalan Pascakerja

Penentuan liabilitas imbalan pascakerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan dan entitas anak diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui di masa mendatang. Walaupun asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pascakerja Perusahaan dan entitas anak.

Asumsi yang digunakan untuk perhitungan liabilitas imbalan pascakerja diungkapkan dalam Catatan 49.

Pajak Penghasilan

Perhitungan beban pajak penghasilan Perusahaan dan entitas anak memerlukan pertimbangan dan asumsi dalam menentukan pengurangan beban tertentu selama proses pengestimasian. Semua pertimbangan dan estimasi yang dibuat manajemen dapat dipertanyakan oleh Direktorat Jenderal Pajak. Sebagai akibatnya, terjadi ketidakpastian dalam penentuan pajak. Resolusi posisi pajak yang diambil oleh Perusahaan dan entitas anak, melalui negosiasi dengan otoritas pajak yang relevan dapat berlangsung bertahun-tahun dan sangat sulit untuk memprediksi hasil akhirnya. Apabila terdapat perbedaan perhitungan pajak dengan jumlah yang telah dicatat, perbedaan tersebut akan berdampak pada pajak penghasilan dan pajak tangguhan dalam tahun dimana penentuan pajak tersebut dibuat.

subsidiaries' data and assumptions are reasonable and appropriate, significant changes in data inputs or significant changes in assumptions may materially affect the value of assets that use revaluation model.

Detail of valuation approach and significant data input used in the revaluation property, plant and equipment and investment properties are disclosed in Notes 6 and 7, respectively.

Post-employment Benefits

The determination of the post-employment benefits obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company and its subsidiaries' assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While it is believed that the Company and its subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company and its subsidiaries' post-employment benefit obligations.

Assumptions used in the calculation of post-employment benefit obligations are disclosed in Note 49.

Income Taxes

The calculations of income tax expense for the Company and its subsidiaries require judgements and assumptions in determining the deductibility of certain expenses during the estimation process. All judgement and estimates made by management may be challenged by the Directorate General of Taxation. As a result, the ultimate tax determination becomes uncertain. The resolution of tax positions taken by the Company and its subsidiaries, through negotiations with the relevant tax authorities can take several years to complete and in some cases it is difficult to predict the ultimate outcome. Where the final outcome of these matters is different from the amounts initially recorded, such differences will have an impact on the income tax and deferred income tax provision in the year in which this determination is made.

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Aset pajak tangguhan, termasuk yang timbul dari rugi fiskal dan perbedaan temporer, diakui apabila dianggap lebih mungkin daripada tidak bahwa mereka dapat diterima kembali, dimana hal ini tergantung pada kecukupan pembentukan laba kena pajak di masa depan. Asumsi atas pembentukan laba kena pajak sangat dipengaruhi oleh estimasi dan asumsi manajemen atas tingkat penjualan dan biaya-biaya terkait yang terdapat risiko ketidakpastian, sehingga ada kemungkinan perubahan estimasi dan asumsi tersebut akan mengubah proyeksi laba kena pajak di masa mendatang.

Deferred tax assets, including those arising from tax losses carried forward and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. The assumptions about the generation of future taxable profits are heavily affected by management's estimates of the expected sales level and the associated costs which are subject to risk and uncertainty and hence there is a possibility that changes in circumstances will alter the projected future taxable profits.

5. Entitas Anak

Perusahaan memiliki saham entitas anak baik langsung maupun tidak langsung sebagai berikut:

5. Subsidiaries

The Company has ownership interests, directly or indirectly, in the following subsidiaries:

Entitas anak/ Subsidiaries	Domisili/ Domicile	Jenis usaha/ Nature of business	Persentase pemilikan/ Percentage of ownership		Tahun operasi komersial/ Year of commercial operation	Jumlah aset sebelum eliminasi/ Total assets before elimination **)	
			2016 %	2015 %		2016 Rp	2015 Rp
PT Indonesia Power (IP) dan entitas anak/ and subsidiaries	Jakarta	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	1995	220,755	226,487
PT Cogindo Daya Bersama (CDB) *)	Jakarta	Cogeneration, pemasok energi, jasa pelayanan dan manajemen/ Cogeneration, energy distribution, energy service and management	99.99	99.99	1999	915	797
PT Artha Daya Coalindo (ADC) *)	Jakarta	Perdagangan batu bara/ Coal trading	80.00	60.00	1998	182	116
PT Indo Ridlatama Power (IRP) *)	Kutai	Pembangkitan tenaga listrik/ Power generation	93.96	86.00	***)	607	221
PT Tangkuban Parahu Geothermal Power (TPGP) *)	Jakarta	Pengembangan energi panas bumi dan pembangkit tenaga listrik/ Development of geothermal energy and electricity supplies	95.21	95.21	***)	84	80
PT Putra Indotenaga *)	Jakarta	Ketenagalistrikan dan Energi/ Electricity and Energy	99.99	99.90	2016	417	261
PT Pembangkitan Jawa-Bali (PJB) dan entitas anak/ and subsidiaries	Surabaya	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	1995	191,738	195,546
PT PJB Services (PJBS) *) dan entitas anak/ and subsidiaries	Surabaya	Jasa/ Service	98.00	98.00	2001	985	680
PT Mitra Karya Prima (MKP) *)	Surabaya	Jasa/ Service	92.00	92.00	2013	69	48
PT Sertifikasi Kompetensi Pembangkit Tenaga Listrik *)	Jakarta	Jasa/ Service	95.00	95.00	2015	2	1
PT Rekadaya ElektriKA (RE) *) dan entitas anak/ and subsidiary	Jakarta	Jasa listrik dan engineering/ Electricity and engineering	98.90	98.68	2004	981	552
PT Rekadaya ElektriKA Consult (REC) *)	Jakarta	Supervisi dan Konsultasi/ Supervision and consultation	99.80	99.80	2011	87	70
PT Navigat Innovative Indonesia (NII) *)	Palembang	Perdagangan, konstruksi, pertambangan dan pertanian/ Trading, construction, mining and agriculture	72.97	72.97	***)	220	206

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Entitas anak/ Subsidiaries	Domisili/ Domicile	Jenis usaha/ Nature of business	Persentase pemilikan/ Percentage of ownership		Tahun operasi komersial/ Year of commercial operation	Jumlah aset sebelum eliminasi/ Total assets before elimination **)	
			2016 %	2015 %		2016 Rp	2015 Rp
PT PJB Investasi (PJB) *)	Jakarta	Ketenagalistrikan/ Electricity	99.99	99.99	2016	327	--
PT Pelayanan Listrik Nasional Batam (PLN Batam) dan entitas anak/ and subsidiary	Batam	Penyedia tenaga listrik/ Electricity supplier	99.99	99.99	2000	16,138	5,700
PT Pelayanan Energi Batam (PEB)	Batam	Pembangunan pipa gas dan energi lainnya/ Construction of gas pipeline and other energy sector	99.90	99.90	2016	821	9
PT Indonesia Comnets Plus (ICON)	Jakarta	Jasa penyedia jaringan telekomunikasi/ Telecommunication provider	99.99	99.99	2000	2,296	2,068
PT Prima Layanan Nasional Enjiniring (PLNE) dan entitas anak/ and subsidiary	Jakarta	Jasa enjiniring, pengadaan dan konstruksi/ Engineering, procurement and construction	99.90	99.90	2003	878	521
PT Prima Power Nusantara (PPN)	Jakarta	Jasa enjiniring, pengadaan dan konstruksi/ Engineering, procurement and construction	99.99	--	***)	45	--
PT Pelayanan Listrik Nasional Tarakan (PLN Tarakan)	Tarakan	Penyedia tenaga listrik/ Electricity supplier	99.97	99.97	2004	350	279
Majapahit Holding B.V. (MH) dan entitas anak/ and subsidiary	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100	100	2006	41,896	52,169
Majapahit Finance B.V. (MF) *)	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100	100	2006	33,827	39,277
PT PLN Batubara (PLN Batubara)	Jakarta	Perdagangan batu bara/ Coal trading	99.99	99.99	2009	1,265	1,328
PT Pembangkit Listrik Nasional Geothermal (PLN Geothermal)	Jakarta	Pembangkitan tenaga listrik/ Power generation	99.99	99.99	2010	21	91
PT Pelayaran Bahtera Adhiguna (BAG) dan entitas anak/ and subsidiary	Jakarta	Pelayaran/ Shipping	100	100	2011	1,257	1,243
PT PBM Adhiguna Putera (PBM AP)	Jakarta	Pelayaran/ Shipping	99.95	99.95	1987	147	136
PT Haleyora Power (HP) dan entitas anak/ and subsidiary	Jakarta	Jasa pemeliharaan dan operasi/ Operation and maintenance	99.99	99.99	2013	586	444
PT Haleyora Powerindo (HPI) *)	Jakarta	Jasa/ Service	90.00	90.00	2013	311	267

*) Pemilikan tidak langsung/ Indirect ownership

**) Dalam miliaran Rupiah/ Stated in billions of Rupiah

***) Dalam tahap pengembangan/ Under development stage

Pada tahun 2016, IP, entitas anak, melakukan penambahan penyertaan saham di IRP sebesar Rp135.000 yang meningkatkan modal disetor IP di IRP menjadi Rp337.035 atau setara 93,96% saham IRP.

In 2016, IP, a subsidiary, increased their additional shares to IRP amounted Rp135,000 which increases the IP's paid up capital in IRP to become Rp337,035 equivalent of 93.96% shares in IRP.

Pada tahun 2016, IP, entitas anak, melakukan penambahan penyertaan saham di ADC sebesar Rp15.000 yang meningkatkan modal disetor IP di ADC menjadi Rp24.000 atau setara 80% saham ADC.

In 2016, IP, a subsidiary, increased their additional shares to ADC amounted Rp15,000 which increases the IP's paid up capital in ADC to become Rp24,000 equivalent of 80% shares in ADC.

Pada tahun 2016, PLNE, entitas anak, melakukan penyertaan saham di PPN sebesar Rp15.000 atau setara 99,99% saham PPN.

In 2016, PLNE, a subsidiary, made a share investment to PPN amounted Rp15,000 equivalent of 99.99% shares in PPN.

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6. Aset Tetap

6. Property, Plant and Equipment

	2016							
	Saldo awal/ Beginning balance Rp	Penyesuaian penerapan/ Application adjustment POJK No.6 *) Rp	Saldo awal d disesuaikan/ Adjusted Beginning Balance Rp	Penambahan/ Additions Rp	Pengurangan/ Deductions Rp	Reklasifikasi/ Reclassifications Rp	Saldo akhir/ Ending balance Rp	
Biaya perolehan/ revaluasi:								Acquisition cost/ revaluation:
Pemilikan langsung								Direct acquisitions
Tanah	119,569,383	--	119,569,383	890,624	--	2,486,822	122,946,829	Land
Bangunan umum, waduk dan prasarana	49,456,429	--	49,456,429	115,018	--	3,650,261	53,221,708	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	572,134,451	--	572,134,451	1,923,345	--	27,800,198	601,857,994	Installation and power plant
Perengkapan transmisi	86,701,829	--	86,701,829	120,233	--	7,390,507	94,212,569	Transmission equipment
Perengkapan distribusi	141,446,484	--	141,446,484	2,845,940	--	12,663,053	156,955,477	Distribution equipment
Perengkapan umum	9,848,947	--	9,848,947	269,422	--	616,513	10,734,882	General equipment
Kendaraan bermotor	841,123	--	841,123	44,662	--	310,111	1,195,896	Motor vehicles
Material cadangan utama	667,054	--	667,054	274,874	--	75,269	1,017,197	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2,603,090	--	2,603,090	26,345	--	618,749	3,248,184	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1,646,470	--	1,646,470	915	--	239,139	1,886,524	Other telecommunication and data processing equipment
Kapal dan perengkapan	1,413,716	--	1,413,716	11,342	--	(279,005)	1,146,053	Vessels and equipment
Sub-jumlah	986,328,976	--	986,328,976	6,522,720	--	55,571,617	1,048,423,313	Subtotal
Aset sewaan								Leased assets
Tanah	48,388	--	48,388	--	--	(988)	47,400	Land
Instalasi dan mesin pembangkit	144,432,130	(103,659,494)	40,772,636	--	--	(2,850,705)	37,921,931	Installation and power plant
Sub-jumlah	144,480,518	(103,659,494)	40,821,024	--	--	(2,851,693)	37,969,331	Subtotal
Pekerjaan dalam pelaksanaan Aset tidak digunakan dalam operasi	104,984,687	--	104,984,687	51,324,191	--	(53,314,221)	102,994,657	Construction in progress Assets not used in operation
Jumlah	1,243,849,421	(103,659,494)	1,140,189,927	57,846,911	(467,359)	377,627	1,197,947,106	Total
Akumulasi penyusutan								Accumulated depreciation
Pemilikan langsung								Direct acquisitions
Bangunan umum, waduk dan prasarana	--	--	--	2,029,031	--	262,276	2,291,307	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	--	--	--	15,511,262	--	(194,174)	15,317,088	Installation and power plant
Perengkapan transmisi	--	--	--	2,314,178	--	26,828	2,341,006	Transmission equipment
Perengkapan distribusi	--	--	--	4,313,743	--	(2,379)	4,311,364	Distribution equipment
Perengkapan umum	7,433,553	--	7,433,553	975,895	--	(82,507)	8,326,941	General equipment
Kendaraan bermotor	759,513	--	759,513	107,290	--	87,182	953,985	Motor vehicles
Material cadangan utama	--	--	--	77,316	--	78,373	155,689	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	--	--	--	519,696	--	24,108	543,804	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1,043,768	--	1,043,768	185,555	--	29,857	1,259,180	Other telecommunication and data processing equipment
Kapal dan perengkapan	287,944	--	287,944	90,269	--	(86,393)	291,820	Vessels and equipment
Sub-jumlah	9,524,778	--	9,524,778	26,124,235	--	143,171	35,792,184	Subtotal
Aset sewaan								Leased assets
Instalasi dan mesin pembangkit	39,529,187	(31,431,894)	8,097,293	1,404,427	--	604,443	10,106,163	Installation and power plant
Aset tidak digunakan dalam operasi	6,915,866	--	6,915,866	234,698	(338,501)	(292,831)	6,519,232	Assets not used in operation
Jumlah	55,969,831	(31,431,894)	24,537,937	27,763,360	(338,501)	454,783	52,417,579	Total
Jumlah Tercatat	1,187,879,590	(72,227,600)	1,115,651,990				1,145,529,527	Net Carrying Value

*) Lihat Catatan 2.a

*) See Note 2.a

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	2015						
	Saldo Awal/ Beginning Balance Rp	Penambahan/ Additions Rp	Pengurangan/ Deductions Rp	Reklasifikasi/ Reclassifications Rp	Selisih Penilaian Kembali/ Difference Arising on Revaluation Rp	Saldo Akhir/ Ending Balance Rp	
Biaya perolehan/ revaluasi:							Acquisition cost/ revaluation:
<u>Pemilikan langsung</u>							<u>Direct acquisitions</u>
Tanah	9,274,191	49,194	--	84,746	110,161,252	119,569,383	Land
Bangunan umum, waduk dan prasarana	59,756,531	59,305	--	1,875,599	(12,235,006)	49,456,429	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	186,223,996	731,356	--	11,127,031	374,052,068	572,134,451	Installation and power plant
Perengkapan transmisi	79,439,651	86,912	--	3,960,256	3,215,010	86,701,829	Transmission equipment
Perengkapan distribusi	117,243,483	2,374,366	--	8,566,445	13,262,190	141,446,484	Distribution equipment
Perengkapan umum	9,204,288	185,380	--	459,279	--	9,848,947	General equipment
Kendaraan bermotor	1,035,574	47,222	--	(241,673)	--	841,123	Motor vehicles
Material cadangan utama	1,021,881	203,398	--	(401,408)	(156,817)	667,054	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	4,652,495	31,401	--	219,730	(2,300,536)	2,603,090	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1,646,287	183	--	--	--	1,646,470	Other telecommunication and data processing equipment
Kapal dan perengkapan	774,041	276,000	--	363,675	--	1,413,716	Vessels and equipment
Sub-jumlah	470,272,418	4,044,717	--	26,013,680	485,998,161	986,328,976	Subtotal
<u>Aset sewaan</u>							<u>Leased assets</u>
Tanah	48,388	--	--	--	--	48,388	Land
Instalasi dan mesin pembangkit	128,653,831	15,095,268	--	683,031	--	144,432,130	Installation and power plant
Sub-jumlah	128,702,219	15,095,268	--	683,031	--	144,480,518	Subtotal
Pekerjaan dalam pelaksanaan	94,901,088	40,196,223	--	(30,112,624)	--	104,984,687	Construction in progress
Aset tidak digunakan dalam operasi	6,672,832	--	(264,293)	1,646,701	--	8,055,240	Assets not used in operation
Jumlah	700,548,557	59,336,208	(264,293)	(1,769,212)	485,998,161	1,243,849,421	Total
Akumulasi penyusutan							Accumulated depreciation
<u>Pemilikan langsung</u>							<u>Direct acquisitions</u>
Bangunan umum, waduk dan prasarana	15,414,049	2,316,878	--	(70,172)	(17,660,755)	--	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	69,220,246	8,978,948	--	(1,683,450)	(76,515,744)	--	Installation and power plant
Perengkapan transmisi	23,413,707	2,509,592	--	(83,755)	(25,839,544)	--	Transmission equipment
Perengkapan distribusi	38,955,832	4,361,659	--	(16,839)	(43,300,652)	--	Distribution equipment
Perengkapan umum	6,353,068	1,107,305	--	(26,820)	--	7,433,553	General equipment
Kendaraan bermotor	749,812	103,446	--	(93,745)	--	759,513	Motor vehicles
Material cadangan utama	223,390	47,074	--	(15,588)	(254,876)	--	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2,701,740	315,601	--	86,305	(3,103,646)	--	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	914,070	199,152	--	(69,454)	--	1,043,768	Other telecommunication and data processing equipment
Kapal dan perengkapan	121,712	83,129	--	83,103	--	287,944	Vessels and equipment
Sub-jumlah	158,067,626	20,022,784	--	(1,890,415)	(166,675,217)	9,524,778	Subtotal
<u>Aset sewaan</u>							<u>Leased assets</u>
Instalasi dan mesin pembangkit	34,996,639	5,392,643	--	(860,095)	--	39,529,187	Installation and power plant
Aset tidak digunakan dalam operasi	5,778,017	497,835	(142,921)	782,935	--	6,915,866	Assets not used in operation
Jumlah	198,842,282	25,913,262	(142,921)	(1,967,575)	(166,675,217)	55,969,831	Total
Jumlah Tercatat	501,706,275					1,187,879,590	Net Carrying Value

Beban penyusutan dialokasikan sebagai berikut:

Depreciation expense was allocated to the following:

	2016 Rp	2015 Rp	
Beban usaha	27,512,150	25,406,856	Operating expenses
Pekerjaan dalam pelaksanaan	16,512	8,571	Construction in progress
Beban lain-lain	234,698	497,835	Others
Jumlah	27,763,360	25,913,262	Total

Perusahaan dan entitas anak memiliki beberapa bidang tanah dengan hak legal berupa Hak Pakai dan Hak Guna Bangunan ("HGB"). Hak Pakai tidak mempunyai jangka waktu. HGB Perusahaan jatuh tempo antara tahun 2017 sampai dengan 2051, tetapi dapat diperpanjang. Perusahaan dan entitas anak juga mempunyai beberapa bidang tanah yang sedang dalam proses perpanjangan HGB dan pengurusan balik nama menjadi atas nama Perusahaan dan entitas anak.

The Company and its subsidiaries own several pieces of land with Rights to Use and Building Use Rights ("HGB"). Rights to Use have no expiration date while HGB will expire from 2017 to 2051, but they are renewable. The Company and its subsidiaries also have several pieces of land rights, which are still in an extension process and in the process of transfer of certificate to the name of the Company and its subsidiaries.

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Bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan pengolahan data dan telekomunikasi lainnya serta kapal diasuransikan kepada beberapa perusahaan asuransi yaitu PT Asuransi Jasa Indonesia, pihak berelasi, sebagai penanggung utama, PT Asuransi Tokio Marine Indonesia dan PT Asuransi Tugu Kresna Pratama, terhadap risiko kebakaran dan kemungkinan risiko lainnya dengan jumlah pertanggungan sebesar US\$22.057.263.960 (setara dengan Rp296.361.399) dan Rp1.644.268 pada tanggal 31 Desember 2016 dan sebesar US\$17.141 juta (setara dengan Rp236.453.639) dan Rp993.997 pada tanggal 31 Desember 2015. Aset sewaan PLTU Tanjung Jati B 4x660 MW diasuransikan kepada PT Asuransi Mitsui Sumitomo Indonesia terhadap risiko kebakaran dan risiko lainnya dengan jumlah pertanggungan masing-masing sebesar JPY443.480.763.353 (setara dengan Rp51.000.288) dan US\$4.320.000 (setara dengan Rp58.044) pada tanggal 31 Desember 2016 dan sebesar JPY361.172 juta (setara dengan Rp41.362.961) pada tanggal 31 Desember 2015.

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungan. Perusahaan dan entitas anak tidak mengasuransikan aset tetap selain bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan pengolahan data dan telekomunikasi lainnya serta kapal dan perlengkapan.

Pada 31 Desember 2015, aset sewaan - instalasi dan mesin pembangkit merupakan pembangkit tenaga listrik berdasarkan perjanjian sewa dengan IPP dalam bentuk sewa pembiayaan sesuai dengan penerapan ISAK 8 serta PLTU Tanjung Jati B 4 x 660 MW.

Pada tanggal 31 Desember 2016 dan 2015, jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh dan masih digunakan masing-masing sebesar Rp5.969.347 dan Rp1.764.403.

Manajemen berpendapat bahwa tidak terdapat kejadian atau perubahan keadaan yang mengindikasikan penurunan nilai aset tetap pada tanggal pelaporan.

Building, installation and power plant, transmission equipment, other telecommunication and data processing equipments and vessels were insured to several insurance companies, with PT Asuransi Jasa Indonesia, a related party, acting as the lead insurer, PT Asuransi Tokio Marine Indonesia and PT Asuransi Tugu Kresna Pratama, against fire and other possible risks with insurance coverage of US\$22,057,263,960 (equivalent to Rp296,361,399) and Rp1,644,268 as of December 31, 2016 and US\$17,141 million (equivalent to Rp236,453,639) and Rp993,997 as of December 31, 2015. Leased assets of Tanjung Jati B Steam Power Plant 4x660 MW were insured to PT Asuransi Mitsui Sumitomo Indonesia against fire and other possible risks with insurance coverage of JPY443,480,763,353 (equivalent to Rp51,000,288) and US\$4,320,000 (equivalent to Rp58,044) as of December 31, 2016 and JPY361,172 million (equivalent to Rp41,362,961) as of December 31, 2015.

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured. The Company and its subsidiaries do not insure assets other than building, installation and power plant, other transmission equipment and vessels and equipment.

As of December 31, 2015, leased assets - installation and power plant represents comprise certain power plants under lease agreement with IPPs which were accounted for as finance leases in accordance with ISFAS 8 and the PLTU Tanjung Jati B 4 x 660 MW power plant.

As of December 31, 2016 and 2015, the gross carrying amount of property, plant and equipment that have been fully depreciated and still in use amounted to Rp5,969,347 and Rp1,764,403, respectively.

Management believes that there are no events or changes in circumstances which may indicate impairment of property, plant and equipment as of the reporting date.

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Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas kelas aset tertentu dari model biaya menjadi model revaluasi.

Revaluasi aset tetap untuk Perusahaan dan entitas anak dilaksanakan oleh Kantor Jasa Penilai Publik Rengganis, Hamid & Rekan ("KJPP RHR"), Penilai Publik Independen yang telah terdaftar di Kementerian Keuangan dengan No. 2.09.0012 dan OJK.

Standar Penilaian yang digunakan adalah Standar Penilaian Indonesia edisi VI - 2015, dengan menggunakan pendekatan penilaian berikut ini:

1. Pendekatan Pasar

Pendekatan ini mempertimbangkan penjualan dari aset sejenis atau pengganti dan data pasar yang terkait, serta menghasilkan estimasi nilai melalui proses perbandingan. Pada dasarnya, properti yang dinilai (obyek penilaian) dibandingkan dengan properti yang sebanding, baik dari transaksi yang telah terjadi maupun properti yang masih dalam tahap penawaran penjualan dari suatu proses jual beli.

Pendekatan pasar digunakan untuk kelas aset tanah.

2. Pendekatan Pendapatan

Pendekatan ini mempertimbangkan pendapatan dan biaya yang berhubungan dengan aset yang dinilai dan mengestimasi nilai melalui proses kapitalisasi. Kapitalisasi menghubungkan pendapatan (umumnya pendapatan bersih) dengan suatu definisi jenis nilai melalui konversi pendapatan menjadi estimasi nilai. Proses ini dapat menggunakan metode kapitalisasi langsung atau metode Arus Kas Terdiskonto, atau keduanya.

Pendekatan pendapatan digunakan untuk kelas aset tanah dengan peruntukan komersial atau tanah dengan skala pengembangan.

3. Pendekatan Biaya

Pendekatan ini berdasarkan prinsip bahwa harga dimana pembeli di pasar akan membayar atas aset yang sedang dinilai tidak akan lebih dari biaya untuk membeli atau mengkonstruksi aset modern yang ekuivalen, tanpa

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for certain class of assets from the cost model to the revaluation model.

The revaluation of property, plant and equipment of the Company and its subsidiaries is conducted by Kantor Jasa Penilai Publik Rengganis, Hamid & Rekan ("KJPP RHR"), an Independent Public Valuer registered in the Ministry of Finance No. 2.09.0012 and FSA.

The valuation standard used is Indonesian Valuation Standards edition VI - 2015, with following valuation approaches:

1. Market Approach

This approach considers the sales of similar assets or replacement assets and related market information, which provides value estimation by a comparison process. Basically, the properties being valued (object being appraised) are compared to other similar properties that either have been transacted or offered for sale in a sale and purchase transaction.

The market approach is applied to the asset class of land rights.

2. Income Approach

This approach considers the income and costs related to the assets being valued and estimates value through a capitalization process. Capitalization connects income (generally net income) with certain definition of value through conversion of income into the estimated value. This process uses the direct capitalization method or the Discounted Cash Flow method or both.

The income approach is applied to the asset class of commercial land rights or land rights with development scale.

3. Cost Approach

This approach is based on a principle that the price that a buyer in the market would pay for the asset being valued would not be more than the cost to purchase or construct a modern equivalent asset, without taking into consideration undue

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mempertimbangkan biaya akibat penundaan waktu dan biaya keterlambatan. Untuk aset yang tidak baru, pendekatan biaya memperhitungkan estimasi depresiasi termasuk penyusutan fisik dan keusangan lainnya (fungsional dan eksternal). Biaya konstruksi dan depresiasi ditentukan oleh hasil analisis dari perkiraan biaya konstruksi dan depresiasi sesuai dengan kelaziman yang ada di pasar atau dalam praktek penilaian.

Pendekatan biaya digunakan untuk kelas aset bangunan umum, waduk dan prasarana, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan distribusi, material cadangan utama, perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik.

Informasi mengenai penilaian kembali aset tetap pada tanggal 31 Desember 2015 untuk Kelompok Aset yang Direvaluasi adalah sebagai berikut:

time and overtime charges. For assets which are not new, the cost approach includes depreciation estimation including physical depreciation and other obsolescence (functional and external). Construction cost and depreciation should be determined from analysis of the construction cost and estimation of depreciation according to the prevalence in the market or in valuation practice.

The cost approach is applied to asset classes of buildings, reservoir and infrastructure, installation and power plants, transmission equipments, distribution equipments, major spare parts and telecommunications and data processing equipments used for electricity supply.

Information on the revaluation of assets as of December 31, 2015 for Classes of Revalued Assets are as follows:

	Jumlah tercatat sebelum revaluasi/ Net carrying value before revaluation 31 Desember/ December 31, 2015 Rp	Surplus (Rugi) Revaluasi/ Revaluation Surplus (loss) Rp	Nilai Wajar/ Fair Value 31 Desember/ December 31, 2015 Rp	
Nilai revaluasi				Revalued amount
Pemilikan langsung				<i>Direct acquisitions</i>
Tanah	9,408,131	110,161,252	119,569,383	<i>Land rights</i>
Bangunan umum, waduk dan prasarana	61,691,435	(12,235,006)	49,456,429	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	198,082,383	374,052,068	572,134,451	<i>Installation and power plant</i>
Perlengkapan transmisi	83,486,819	3,215,010	86,701,829	<i>Transmission equipment</i>
Perlengkapan distribusi	128,184,294	13,262,190	141,446,484	<i>Distribution equipment</i>
Material cadangan utama	823,871	(156,817)	667,054	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	4,903,626	(2,300,536)	2,603,090	<i>Telecommunication and data processing equipments that are used for electricity supply</i>
Sub-jumlah	<u>486,580,559</u>	<u>485,998,161</u>	<u>972,578,720</u>	<i>Sub total</i>
Akumulasi penyusutan				Accumulated depreciation
Pemilikan langsung				<i>Direct acquisitions</i>
Bangunan umum, waduk dan prasarana	(17,660,755)	17,660,755	--	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	(76,515,744)	76,515,744	--	<i>Installation and power plant</i>
Perlengkapan transmisi	(25,839,544)	25,839,544	--	<i>Transmission equipment</i>
Perlengkapan distribusi	(43,300,652)	43,300,652	--	<i>Distribution equipment</i>
Material cadangan utama	(254,876)	254,876	--	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	(3,103,646)	3,103,646	--	<i>Telecommunication and data processing equipments that are used for electricity supply</i>
Sub-jumlah	<u>(166,675,217)</u>	<u>166,675,217</u>	<u>--</u>	<i>Sub total</i>
Jumlah Tercatat	<u>319,905,342</u>	<u>652,673,378</u>	<u>972,578,720</u>	Net Carrying Value

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Per 31 Desember 2015, jumlah kenaikan nilai tercatat yang timbul dari revaluasi Kelas Aset yang Direvaluasi dicatat sebagai Surplus Revaluasi Aset Tetap adalah sebesar Rp652.673.378.

Surplus revaluasi, dikurangi dengan penghasilan pajak tangguhan terkait dan pajak final atas revaluasi aset tetap dikreditkan pada penghasilan komprehensif lain dan disajikan sebagai Surplus Revaluasi Aset Tetap pada penghasilan komprehensif lain.

Tabel di bawah ini menganalisis aset non-keuangan yang dicatat pada Nilai Wajar berdasarkan Hirarki Nilai Wajar sesuai dengan PSAK 68: Pengukuran Nilai Wajar. Perbedaan level nilai wajar dijelaskan sebagai berikut:

- Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik (Level 1);
- *Input* selain dari harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau secara tidak langsung (Level 2); dan
- *Input* untuk aset atau liabilitas yang tidak didasarkan pada data pasar yang dapat diobservasi baik secara langsung maupun tidak langsung (Level 3).

As of December 31, 2015, total increase in the carrying amounts of the Classes of Revalued Assets is recorded as Property, plant and equipment Revaluation Surplus amounting to Rp652,673,378.

The revaluation surplus, net of applicable deferred income taxes and final tax on property, plant and equipment revaluation, is credited to other comprehensive income and presented in property, plant and equipment Revaluation Surplus in other comprehensive income section.

The table below analyses non-financial assets recorded at fair value, based on Fair Value Hierarchy in SFAS 68: Fair Value Measurement. The different levels of fair value are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- *Inputs* other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- *Inputs* for the asset or liability that are not based on observable market data, neither directly or indirectly (Level 3).

Pengukuran nilai wajar 31 Desember 2015 menggunakan/ Fair value measurement as at December 31, 2015 using					
Level 1	Level 2	Level 3	Jumlah/ Total		
Rp	Rp	Rp	Rp		
Pengukuran nilai wajar berulang					Recurring fair value measurement
Tanah	--	48,169,865	71,399,518	119,569,383	Land rights
Bangunan umum, waduk dan prasarana	--	9,618,342	39,838,087	49,456,429	Building, reservoir and infrastructure
Instalasi dan mesin pembangkit	--	--	572,134,451	572,134,451	Installation and power plants plant
Perlengkapan transmisi	--	--	86,701,829	86,701,829	Transmission equipment
Perlengkapan distribusi	--	--	141,446,484	141,446,484	Distribution equipment
Material cadangan utama	--	--	667,054	667,054	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	--	--	2,603,090	2,603,090	Telecommunication and data processing equipments that are used for electricity supply
Jumlah	--	57,788,207	914,790,513	972,578,720	Total

Tidak terdapat aset tetap yang bisa digolongkan ke dalam nilai wajar level 1.

Nilai wajar level 2 dari tanah dihitung dengan menggunakan pendekatan pasar dan pendekatan pendapatan, sedangkan untuk bangunan menggunakan pendekatan biaya. *Input* yang diperoleh dari pasar yaitu antara lain:

There were no property, plant and equipment which could be classified as the level 1 fair value.

The level 2 fair value of land rights is calculated using the market approach and income approach, while building value is calculated using the cost approach. Data inputs were obtained from the market that consists of among others:

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- a. Harga jual atau harga sewa per meter persegi
- b. Tingkat hunian
- c. Tingkat pertumbuhan
- d. Tingkat diskonto dan kapitalisasi
- e. Biaya pembuatan baru per meter persegi
- f. Depresiasi, keusangan fungsional dan eksternal

Penyesuaian dilakukan berdasarkan ukuran, lokasi, bentuk dan spesifikasi, hak atas tanah dan elemen perbandingan lainnya.

Nilai wajar level 3 dihitung dengan menerapkan pendekatan pasar, pendekatan pendapatan dan pendekatan biaya dengan menggunakan *input* yang tidak dapat diobservasi.

Selain menggunakan *input* yang berasal dari pasar, KJPP RHR juga menggunakan *input* yang tidak dapat diobservasi dari pasar dan menggunakan asumsi khusus terkait dengan jenis aset yang tergolong sebagai properti khusus, seperti pembangkit listrik, jaringan transmisi dan distribusi, gardu listrik dan lainnya.

Penyesuaian dilakukan berdasarkan ukuran, kapasitas, usia, lokasi, bentuk dan spesifikasi, hak atas tanah dan elemen perbandingan lainnya.

Informasi mengenai pengukuran nilai wajar yang menggunakan informasi signifikan yang tidak dapat diobservasi (Level 3) adalah sebagai berikut:

- a. Sale or rental price per square meter
- b. Occupancy rate
- c. Growth rate
- d. Discount and capitalization rate
- e. Replacement cost new per square meter
- f. Depreciation, functional and external obsolescence

Adjustments were made based on size, location, shapes and specifications, land rights and other comparison elements.

The level 3 fair value is calculated through the market approach, income approach and cost approach by using unobservable inputs.

Other than the data inputs observed from the market, KJPP RHR also used unobservable market data inputs and used special assumptions related to the assets classified as specialized property, such as power plants, transmission and distribution networks, substations and others.

Adjustments were made based on size, capacity, age, location, shapes and specifications, land rights and other comparison elements.

Information about fair value measurements using significant unobservable inputs (Level 3) are as follows:

	Nilai wajar pada 31 Desember 2015/ <i>Fair value at December 31, 2015</i> Rp	Teknik penilaian/ <i>Valuation technique</i>	Informasi yang tidak dapat diobservasi/ <i>Unobservable Input</i>	Kisaran <i>input</i> yang tidak dapat diobservasi/ <i>Range of unobservable Input</i> %	Hubungan informasi yang tidak dapat diobservasi terhadap nilai wajar/ <i>Relationship of unobservable inputs to fair value</i>	
Tanah	71,399,518					<i>Land</i>
Tapak tower	8,344,953	Pendekatan pasar dengan metode/ <i>Market approach with Across the Fence ("ATF") method</i>	Kompensasi/ <i>Compensation Right of Way ("ROW")</i>	10% - 20%	Semakin tinggi kompensasi ROW maka semakin tinggi nilai wajar/ <i>The higher the ROW compensation, the higher the fair value</i>	<i>Land for tower site</i>
Tanah gardu dan kantor	42,550,076	Pendekatan pendapatan dengan metode pendekatan lahan/ <i>Income approach with the land approach method</i>	- Perubahan peruntukan/ <i>Zoning changes</i> - Penyesuaian parameter pengembangan/ <i>Adjustment of parameter development</i>	1,35 - 3,40	Semakin tinggi Koefisien Luas Bangunan ("KLB") maka semakin tinggi nilai wajar/ <i>The higher the KLB, the higher the fair value</i>	<i>Land for substation and office building</i>
Tanah pembangkit	20,504,489	Pendekatan pendapatan dengan metode pendekatan lahan/ <i>Income approach with the land approach method</i>	- Perubahan peruntukan/ <i>Zoning changes</i> - Penyesuaian parameter pengembangan/ <i>Adjustment of parameter development</i>	1,35 - 3,40	Semakin tinggi Koefisien Luas Bangunan ("KLB") maka semakin tinggi nilai wajar/ <i>The higher the KLB, the higher the fair value</i>	<i>Land for power plant</i>
		Pendekatan pasar dengan metode/ <i>Market approach with Across the Fence ("ATF") method</i>	Biaya pembebasan lahan/ <i>Soft cost</i>	5% - 10%	Semakin tinggi biaya pembebasan lahan maka semakin tinggi nilai wajar/ <i>The higher the soft cost, the higher the fair value</i>	

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	Rp			%		
Bangunan	39,838,087					Building
Bangunan umum	20,766,582	Pendekatan biaya/ <i>Cost approach</i>	Penyusutan fisik/ <i>Physical depreciation</i>	0% - 83%	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/ <i>The higher the functional depreciation, the lower the fair value</i>	<i>Buildings</i>
Waduk dan prasarana	19,071,505	Trending/ <i>Trending</i>	Penyusutan fungsional/ <i>Functional depreciation</i>	1,00 - 2,44	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/ <i>The higher the functional depreciation, the lower the fair value</i>	<i>Reservoir and infrastructure</i>
			Indeks/ <i>Index</i>		Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	
Instalasi dan mesin pembangkit	572,134,451	Pendekatan biaya/ <i>Cost approach</i>	Penyusutan fungsional/ <i>Functional depreciation</i>	1% - 23%	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/ <i>The higher the functional depreciation rate, the lower the fair value</i>	<i>Installation and power plant</i>
			Indeks/ <i>Index</i>		Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	
Perlengkapan transmisi	86,701,829	Pendekatan biaya/ <i>Cost approach</i>	Indeks/ <i>Index</i>	1,00 - 1,54	Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	<i>Transmission equipment</i>
Perlengkapan distribusi	141,446,484	Pendekatan biaya/ <i>Cost approach</i>	Indeks/ <i>Index</i>	1,00 - 1,54	Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	<i>Distribution equipment</i>
Material cadangan utama	667,054	Pendekatan biaya/ <i>Cost approach</i>	Indeks/ <i>Index</i>	1,00 - 1,17	Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2,603,090	Pendekatan biaya/ <i>Cost approach</i>	Indeks/ <i>Index</i>	1,00 - 1,023	Semakin besar tingkat indeks maka semakin besar nilai wajar/ <i>The higher the index rate, The higher the fair value</i>	<i>Telecommunication and data processing equipments used for electricity supply</i>

Perusahaan dan entitas anak juga melakukan penilaian kembali atas aset tetap untuk tujuan perpajakan.

Pada tahun 2016, manajemen Perusahaan dan entitas anak berpendapat bahwa nilai wajar aset tetap tidak berbeda secara material dengan jumlah tercatatnya sehingga tidak melakukan revaluasi aset tetap.

The Company and its subsidiaries also performed revaluation of Property, plant and equipment for tax purposes.

In 2016, the Company's and its subsidiaries' management believe that the fair value of Property, plant and equipment is not materially different with its carrying amount, hence did not revalue its Property, plant and equipment.

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Pekerjaan Dalam Pelaksanaan

Akun ini merupakan biaya-biaya yang terjadi sehubungan dengan pembangunan dan renovasi/ perbaikan sarana kelistrikan, sebagai berikut:

	2016 Rp	2015 Rp	
Proyek penugasan - Program percepatan			Mandatory project - Fast track program
Pembangkitan	13,473,959	33,499,918	Power plants
Transmisi	6,983,868	7,511,564	Transmission
Sub Jumlah	<u>20,457,827</u>	<u>41,011,482</u>	Sub Total
Konstruksi rutin Pembangkitan	29,123,314	19,991,986	Regular constructions of Power plants
Transmisi	46,854,170	39,769,816	Transmission
Distribusi	5,675,889	3,842,308	Distribution
Perlengkapan	883,457	369,095	Equipment
Sub Jumlah	<u>82,536,830</u>	<u>63,973,205</u>	Sub Total
Jumlah	<u>102,994,657</u>	<u>104,984,687</u>	Total

(i) Program percepatan

Program percepatan (*fast track program*) merupakan proyek yang ditugaskan Pemerintah kepada Perusahaan. Pekerjaan dalam pelaksanaan program percepatan termasuk pembayaran uang muka kepada kontraktor, biaya pinjaman serta pengeluaran lain yang dikapitalisasi.

Pembangkitan

Program percepatan pekerjaan dalam pelaksanaan pembangkitan terutama merupakan PLTU Kalimantan Timur-Teluk Balikpapan 2x100 MW, PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW, dan PLTU Gorontalo - Anggrek 2x25 MW.

Transmisi

Program percepatan pekerjaan dalam pelaksanaan transmisi terutama terdiri dari proyek Gardu Induk Tegangan Ekstra Tinggi 500 kV New Rawalo (Kesugihan), *Underground Cable* ("UGC") 150 kV Gunung Sahari - Kemayoran - Paket 1 dan Gardu Induk 150 kV Bekasi Utara.

(ii) Konstruksi rutin

Pembangkitan

Pekerjaan dalam pelaksanaan pembangkitan terutama merupakan PLTA Peusangan 2x88 MW, PLTU 3 Kalimantan Barat - Site Bengkayang 2x50 MW dan PLTGU Grati *Peaker* 1x450 MW.

Construction In Progress

This account represents costs incurred in relation to the construction and renovation/betterment of power supply facilities, as follows:

(i) Fast track program

The fast track program represents projects which are mandated by the Government to the Company. Construction in progress under the fast track program includes advance payments made to the contractors, borrowing costs and other capitalized expenditures.

Power plants

The fast track program of power plants under construction consists mainly of PLTU Kalimantan Timur- Teluk Balikpapan 2x100 MW, PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW, and PLTU Gorontalo - Anggrek 2x25 MW.

Transmission

*The fast track program of transmission under construction mainly consists of project Extra High Voltage Substations 500 kV New Rawalo (Kesugihan), *Underground Cable* ("UGC") 150 kV Gunung Sahari - Kemayoran - package 1 and Substations 150 kV Bekasi Utara.*

(ii) Regular constructions

Power plants

*Power plants under construction consist mainly of PLTA Peusangan 2x88 MW, PLTU 3 Kalimantan Barat - Site Bengkayang 2x50 MW and PLTGU Grati *Peaker* 1x450 MW.*

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Transmisi

Pekerjaan dalam pelaksanaan transmisi terutama merupakan proyek jaringan transmisi T/L 500 kV Jawa - Bali, T/L 150 kV untuk luar Jawa - Bali, proyek gardu induk 150 kV serta proyek interkoneksi jaringan.

Distribusi

Pekerjaan dalam pelaksanaan distribusi terutama merupakan proyek jaringan distribusi tegangan menengah dan rendah 20 kV serta proyek gardu distribusi.

Perlengkapan

Perlengkapan pekerjaan dalam pelaksanaan termasuk materi dan perlengkapan khusus yang digunakan untuk menunjang fungsi pembangkitan dan distribusi listrik.

Transmission

Transmission under construction consists mainly of projects of transmission lines of T/L 500 kV in Java - Bali, T/L 150 kV outside Java - Bali, substations 150 kV and interconnection of transmission projects.

Distribution

Distribution under construction consists mainly of projects of mid and low voltage distribution lines of 20 kV and distribution substation projects.

Equipment

Equipment under construction consists of specialised materials and equipment used to support the generation and distribution of electricity.

Pekerjaan dalam pelaksanaan ini diperkirakan selesai antara tahun 2017 dan 2019.

Constructions in progress are expected to be completed between 2017 and 2019.

Pada tanggal 31 Desember 2016, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan Perusahaan terhadap nilai kontrak adalah sebagai berikut:

As of December 31, 2016, the estimated percentage of completion of the Company's construction in progress projects are as follows:

Nama Proyek/ Project Name	Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress Rp	Persentase penyelesaian/ Percentage of completion %
PLTU Kalimantan Timur - Teluk Balikpapan 2x100 MW	3,205,292	97%
PLTA Peusangan 2x88 MW	2,409,116	66%
PLTU 3 Kalimantan Barat - Site Bengkayang 2x50 MW	1,870,414	78%
PLTU 1 Kalimantan Barat - Parit Baru 2x50 MW	1,743,571	86%
PLTGU Grati Peaker 1x450 MW	1,565,751	28%
PLTU Pangkalan Susu Unit 3 dan/ and 4 2x200 MW	1,457,456	45%
PLTU Takalar 2x100 MW	1,226,060	49%
PLTU Gorontalo - Anggrek 2x25 MW	1,143,687	51%
PLTU 2 Kalimantan Barat - Bengkayang 2x27,5 MW	759,499	81%
PLTU Sampit 2x25 MW	527,677	34%
Transmisi lainnya/ Various transmission line	53,838,038	2%-98%
Pembangkitan lainnya/ Other power plants	26,688,750	2%-98%
Lainnya/ Others	6,559,346	2%-98%
Jumlah/Total	102,994,657	

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Pada tanggal 31 Desember 2015, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan konstruksi Perusahaan terhadap nilai kontrak adalah sebagai berikut:

As at December 31, 2015, the estimated percentages of completion of the Company's construction in progress projects were as follows:

<u>Nama Proyek/ Project Name</u>	<u>Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress Rp</u>	<u>Persentase penyelesaian/ Percentage of completion %</u>
PLTU 2 Jawa Tengah - Adipala 1x660 MW	11,566,340	99%
PLTU 3 Jawa Timur - Tanjung Awar-awar 2x350 MW	4,179,862	98%
PLTU Kalimantan Timur - Teluk Balikpapan 2x100 MW	2,949,497	94%
PLTU Riau - Tenayan 2x110 MW	2,925,080	95%
PLTGU Gorontalo Peaker 4x25 MW	2,066,572	83%
PLTU Kalimantan Tengah - Pulang Pisau 2x60 MW	2,033,504	93%
PLTU Lampung - Tarahan Unit 4 2x100 MW	2,015,633	99%
PLTG Benganai 1x155 MW	1,821,973	96%
PLTA Peusangan 2x88 MW	1,811,290	54%
PLTU Kalimantan Barat 1 - Parit Baru 2x50 MW	1,686,895	85%
Transmisi lainnya/ Various transmission line	47,281,380	2%-98%
Pembangkitan lainnya/ Other power plants	20,435,258	2%-98%
Lainnya/ Others	4,211,403	2%-98%
Jumlah/ Total	104,984,687	

Informasi mengenai persentase penyelesaian yang disajikan dalam tabel diatas menggambarkan estimasi kemajuan tahap engineering, procurement and construction. Selanjutnya, masih perlu dilakukan sejumlah pengujian-pengujian sebelum proyek pekerjaan dalam pelaksanaan menerima sertifikat laik operasi.

The information about the percentages of completion disclosed in the table above indicate the estimated progress during the engineering, procurement and construction phases. There are still number of tests that need to be performed during the commissioning phase before the projects are certified for operations.

Biaya pinjaman yang dikapitalisasi ke pekerjaan dalam pelaksanaan adalah sebagai berikut:

Borrowing costs which were capitalized to construction in progress are as follows:

	<u>2016 Rp</u>	<u>2015 Rp</u>	
<u>Program percepatan</u>			<u>Fast track program</u>
Bunga pinjaman termasuk amortisasi biaya emisi obligasi	1,251,994	1,336,503	Interest expense including amortization of bonds issuance
Kerugian kurs mata uang asing	407	589,801	Loss on foreign exchange
Sub Jumlah	<u>1,252,401</u>	<u>1,926,304</u>	Sub Total
<u>Konstruksi rutin</u>			<u>Regular constructions</u>
Bunga pinjaman	1,549,207	1,028,818	Interest expense
Kerugian kurs mata uang asing	242,528	379,385	Loss on foreign exchange
Sub Jumlah	<u>1,791,735</u>	<u>1,408,203</u>	Sub Total
Jumlah	<u>3,044,136</u>	<u>3,334,507</u>	Total

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Biaya pinjaman dikapitalisasi pada tingkat bunga rata-rata tertimbang dari pinjaman umum yaitu masing-masing sebesar 6,62% dan 8,45% pada tahun 2016 dan 2015.

Capitalization of borrowing costs at weighted average of interest from general loan amounted to 6.62% and 8.45% in 2016 and 2015, respectively.

Dalam beberapa kesempatan masih ada sedikit kendala terkait perizinan dan pembebasan lahan. Namun demikian dengan terbitnya Peraturan Presiden Republik Indonesia ("Perpres") No.4/2016 dan perubahannya yaitu Perpres No.14/2017, manajemen berkeyakinan bahwa hambatan dalam penyelesaian proyek tersebut dapat diatasi.

In some occasions there are constraints related to permit and land acquisition. However, with the issuance of the President of Republic of Indonesia Regulation ("Perpres") No. 4/2016 and its amendment No. 14/2017, the management believes that such constraints in completing the projects can be overcome.

Aset Tidak Digunakan Dalam Operasi

Aset tidak digunakan dalam operasi meliputi aset tetap akan direlokasi, sementara belum digunakan dalam operasi serta aset tetap akan diperbaiki.

Assets Not Used In Operations

Assets not used in operations comprised of those to be relocated, those temporarily not in use in operations, and those to be repaired.

Percepatan penyusutan atas aset yang akan dihapus sebesar Rp167.941 tahun 2016 dan Rp497.835 tahun 2015 dicatat sebagai beban lain-lain (Catatan 46).

Accelerated depreciation on assets to be written off amounting to Rp167,941 in 2016 and Rp497,835 in 2015 are recorded as other expenses (Note 46).

Aset tertentu yang tidak digunakan dalam operasi dijual seharga Rp27.705 tahun 2016 dan Rp9.285 tahun 2015. Nilai buku aset yang dijual tersebut telah nihil, sehingga hasil penjualan aset merupakan keuntungan penjualan aset tidak digunakan dalam operasi (Catatan 46).

Certain assets not used in operations were sold with a selling price of Rp27,705 in 2016 and Rp9,285 in 2015. The carrying value of such assets was nil, hence the proceeds from the sale of assets represented a gain on the sale of assets not used in operations (Note 46).

Manajemen berpendapat bahwa percepatan penyusutan atas aset yang tidak digunakan dalam operasi memadai untuk menutup risiko kerugian penurunan nilai yang mungkin timbul dari aset tersebut.

Management believes that accelerated depreciation on assets not used in operations is adequate to cover possible loss on impairment on the value of such assets.

7. Properti Investasi

7. Investment Properties

Akun ini merupakan tanah milik Perusahaan dan PJB, entitas anak, yang terletak di Pademangan – Jakarta Utara, Paiton - Jawa Timur, Bekasi - Jawa Barat, Pluit - Jakarta Utara dan Asahan - Sumatera Utara dengan hak legal berupa HGB berjangka waktu dari 7 sampai 40 tahun, jatuh tempo pada 2032, yang disewakan kepada PT Paiton Energy, PT Jawa Power, PT Pertamina (Persero), PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas, PT Bajradaya Sentranusa, dan PT Karya Semesta Gemilang.

This account pertains to pieces of land owned by the Company and PJB, a subsidiary, located in Pademangan – North Jakarta, Paiton - East Java, Bekasi - West Java, Pluit - North Jakarta and Asahan - North Sumatera with HGB for periods between 7 to 40 years until 2032, which are leased to PT Paiton Energy, PT Jawa Power, PT Pertamina (Persero), PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas, PT Bajradaya Sentranusa, and PT Karya Semesta Gemilang.

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Pada tanggal 31 Desember 2016 dan 2015, Perusahaan dan PJB melakukan penilaian kembali atas nilai wajar properti investasi, yang dilakukan oleh KJPP RHR, penilai independen yang telah terdaftar di Kementerian Keuangan dan OJK.

Nilai wajar properti investasi diklasifikasikan sebagai level 2 dalam hirarki nilai wajar.

Nilai wajar properti investasi pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp1.325.297 dan Rp1.000.974, dan menghasilkan keuntungan revaluasi masing-masing sebesar Rp104.196 dan Rp767.841 pada tahun 2016 dan 2015.

As of December 31, 2016 and 2015, the Company and PJB performs revaluation of the fair value of its investment properties which is performed by KJPP RHR, an independent valuer registered in the Ministry of Finance and FSA.

The fair values of investment properties are within level 2 of the fair value hierarchy.

The fair value of the investment properties as of December 31, 2016 and 2015 amounting to Rp1,325,297 and Rp1,000,974, respectively, resulted to a gain on revaluation amounted to Rp104,196 and Rp767,841 in 2016 and 2015, respectively.

8. Investasi pada Entitas Asosiasi dan Ventura Bersama

8. Investments in Associates and Joint Ventures

Rincian investasi pada entitas asosiasi dan ventura bersama adalah sebagai berikut:

Details of investments in associates and joint ventures are as follows:

	Domisili/ Domicile	Jenis usaha/ Nature of business	Tahun operasi komersial/ Commercial operations	Persentase penyertaan/ Percentage of ownership	
				2016 %	2015 %
<u>Investasi pada entitas asosiasi/ Investment in associates</u>					
PT Geo Dipa Energi	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	2002	6.67	8.19
PT Mitra Energi Batam ("MEB")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2004	30.00	30.00
PT Indo Pusaka Berau ("IPB")	Berau	Perdagangan batu bara/ Coal trading	2005	46.80	46.80
PT Sumber Segara Primadaya ("S2P")	Cilacap	Pembangkit tenaga listrik/ Electricity supplier	2006	49.00	49.00
PT Dalle Energy Batam ("DEB")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2006	20.00	20.00
PT Tanjung Kasam Power ("TJK")	Batam	Pembangkit tenaga listrik/ Electricity supplier	2012	10.00	10.00
PT Energi Pelabuhan Indonesia	Jakarta	Pembangkit tenaga listrik/ Electricity supplier	2013	45.00	45.00
<u>Ventura bersama/ Joint ventures</u>					
PT Unelec Indonesia	Jakarta	Penunjang penyedia tenaga listrik/ Electricity supports	1998	32.35	32.35
PT Komipo Pembangkitan Jawa Bali ("Komipo PJB")	Jepara	Operasi dan pemeliharaan/ Operational and maintenance	2010	49.00	49.00
PT Bajradaya Sentranusa ("BDSN")	Asahan	Pembangkit tenaga listrik/ Electricity supplier	2010	36.61	36.61
PT Bukit Pembangkit Innovative ("BPI")	Palembang	Pembangkit tenaga listrik/ Electricity supplier	2015	37.25	37.25
PT Perta Daya Gas ("PDG")	Jakarta	Transportasi dan penyimpanan LNG/ Transportation and storage of LNG	2015	35.00	35.00

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				2016 %	2015 %
PT Rajamandala Electric Power ("REP")	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	51.00	51.00
PT Crompton Prima Switchgear Indonesia ("CPSI")	Jakarta	Peralatan pengontrol dan pendistribusian listrik/ <i>Electricity controller and distribution</i>	2014	49.00	49.00
PT Rekind Daya Mamuju ("RDM")	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	10.00	10.00
PT Shenhua Guohua Pembangkitan Jawa Bali ("SGPJB")	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	30.00	--
PT GCL Indotenaga	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	35.00	--
PT Guohua Taidian Pembangkitan Jawa Bali ("GTPJB")	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2015	35.00	--

*) Tahap pengembangan/ *Development stage*

Seluruh entitas asosiasi dan ventura bersama dicatat oleh Perusahaan dan entitas anak dengan menggunakan metode ekuitas. Seluruh entitas adalah entitas tertutup dan tidak terdapat harga pasar yang dikutip yang tersedia untuk sahamnya.

All the associates and joint ventures are recorded by the Company and its subsidiaries using the equity method. They are private entities and there is no quoted market price available for its share.

Per 31 Desember 2016 dan 2015, manajemen berpendapat bahwa tidak terdapat pembatasan dan risiko signifikan yang terkait dengan investasi pada asosiasi dan ventura bersama.

As of December 31, 2016 and 2015, management believes that there is no significant restriction and risk regarding the investments in associates and joint ventures.

Mutasi investasi pada entitas asosiasi dan ventura bersama adalah sebagai berikut:

Changes in investments in associates and joint ventures are as follows:

	Jumlah tercatat 1 Januari 2016/ <i>Carrying amount January 1, 2016</i> Rp	Penambahan (pengurangan)/ <i>Additions (deduction)</i> Rp	Dividen/ <i>Dividend</i> Rp	Bagian atas laba (rugi) bersih/ <i>Share of profit (loss)</i> Rp	Bagian atas pendapatan komprehensif lainnya/ <i>Share of other comprehensive income</i> Rp	Jumlah tercatat 31 Desember 2016/ <i>Carrying amount December 31, 2016</i> Rp	
ENTITAS ASOSIASI							ASSOCIATES
PT Geo Dipa Energi	--	--	--	83,824	--	83,824	<i>PT Geo Dipa Energi</i>
PT Mitra Energi Batam	101,933	--	(1,500)	(2,528)	--	97,905	<i>PT Mitra Energi Batam</i>
PT Sumber Segara Primadaya	1,288,685	--	(52,816)	270,517	--	1,506,386	<i>PT Sumber Segara Primadaya</i>
PT Dalle Energy Batam	76,060	--	--	7,742	--	83,802	<i>PT Dalle Energy Batam</i>
PT Indo Pusaka Berau	101,350	--	--	10,249	--	111,599	<i>PT Indo Pusaka Berau</i>
PT Energi Pelabuhan Indonesia	33,146	--	--	4,430	--	37,576	<i>PT Energi Pelabuhan Indonesia</i>
PT Tanjung Kasam Power	44,239	--	(2,231)	17,018	--	59,026	<i>PT Tanjung Kasam Power</i>
	<u>1,645,413</u>	<u>--</u>	<u>(56,547)</u>	<u>391,252</u>	<u>--</u>	<u>1,980,118</u>	
VENTURA BERSAMA							JOINT VENTURES
PT Unelec Indonesia	112,033	--	--	(77,330)	--	34,703	<i>PT Unelec Indonesia</i>
PT Bajradaya Sentranusa	418,423	--	(115,787)	104,176	(4,241)	402,571	<i>PT Bajradaya Sentranusa</i>
PT Bukit Pembangkit Innovative	777,217	--	--	51,369	(5,072)	823,514	<i>PT Bukit Pembangkit Innovative</i>
PT Komipo	--	--	--	--	--	--	<i>PT Komipo</i>
Pembangkitan Jawa Bali	61,601	--	(35,541)	25,880	--	51,940	<i>Pembangkitan Jawa Bali</i>
PT Rekind Daya Mamuju	20,403	4,001	--	--	--	24,404	<i>PT Rekind Daya Mamuju</i>
PT Pertadaya Gas	--	--	--	--	--	--	<i>PT Pertadaya Gas</i>
PT Rajamandala Electric Power	102,347	13,447	--	(986)	--	114,808	<i>PT Rajamandala Electric Power</i>
PT Crompton Prima Switchgear Indonesia	37,261	--	--	(1,943)	--	35,318	<i>PT Crompton Prima Switchgear Indonesia</i>
PT Shenhua Guohua Pembangkitan Jawa Bali	--	319,944	--	--	--	319,944	<i>PT Shenhua Guohua Pembangkitan Jawa Bali</i>
PT GCL Indotenaga	--	42,355	--	(1,713)	--	40,642	<i>PT GCL Indotenaga</i>
PT Guohua Taidian Pembangkitan Jawa Bali	--	2,020	--	--	--	2,020	<i>PT Guohua Taidian Pembangkitan Jawa Bali</i>
	<u>1,529,285</u>	<u>381,767</u>	<u>(151,328)</u>	<u>99,453</u>	<u>(9,313)</u>	<u>1,849,864</u>	
Jumlah	<u>3,174,698</u>	<u>381,767</u>	<u>(207,875)</u>	<u>490,705</u>	<u>(9,313)</u>	<u>3,829,982</u>	Total

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Entitas asosiasi/Associates

	2016					
	PT Mitra Energi Batam Rp	PT Sumber Segara Primadaya Rp	PT Tanjung Kasam Power Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Lancar						<i>Current</i>
Kas dan setara kas	73,707	1,493,572	102,880	906,426	2,576,585	<i>Cash and cash equivalents</i>
Aset lancar lainnya (tidak termasuk kas)	102,241	1,383,392	164,620	340,067	1,990,320	<i>Other current assets (excluding cash)</i>
Jumlah aset lancar	175,948	2,876,964	267,500	1,246,493	4,566,905	<i>Total current assets</i>
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	14,261	618,177	1,727	157,213	791,378	<i>Trade payables</i>
Liabilitas lancar lainnya	68,210	2,362,789	425,915	275,624	3,132,538	<i>Other current liabilities</i>
Jumlah liabilitas lancar	82,471	2,980,966	427,642	432,837	3,923,916	<i>Total current liabilities</i>
Tidak lancar						<i>Non-current</i>
Aset						<i>Assets</i>
Aset	571,333	11,284,922	2,586,670	3,692,868	18,135,793	
Liabilitas						<i>Liabilities</i>
Liabilitas keuangan	319,826	8,746,836	1,525,333	1,147,900	11,739,895	<i>Financial liabilities</i>
Liabilitas lainnya	18,636	9,163	310,928	153,177	491,904	<i>Other liabilities</i>
Jumlah liabilitas tidak lancar	338,462	8,755,999	1,836,261	1,301,077	12,231,799	<i>Total non-current liabilities</i>
Aset bersih	326,348	2,424,921	590,267	3,205,447	6,546,983	<i>Net assets</i>
% kepemilikan efektif	30%	49%	10%	20% - 46,80%	6,67% - 46,80%	% of effective ownership
Bagian atas aset bersih asosiasi						<i>Share of the net assets of associates</i>
Penyesuaian metode ekuitas	97,904	1,188,211	59,026	381,049	1,726,190	
Jumlah tercatat	1	318,175	--	(64,248)	253,928	<i>Adjustment of equity method</i>
Pendapatan	97,905	1,506,386	59,026	316,801	1,980,118	<i>Total carrying value</i>
Beban pokok penjualan	130,419	5,094,718	407,943	1,330,497	6,963,577	<i>Revenue</i>
Depresiasi dan amortisasi	(23,781)	(3,466,817)	(83,389)	(883,456)	(4,457,443)	<i>Cost of good sold</i>
Pendapatan keuangan	(2,244)	(648,583)	--	(27,372)	(678,199)	<i>Depreciation and amortization</i>
Beban keuangan	--	1,975	--	4,961	6,936	<i>Interest income</i>
Beban operasi	(33,179)	(388,258)	(98,942)	(43,437)	(563,816)	<i>Interest expense</i>
Pendapatan (beban) lain-lain, bersih	(77,239)	(15,398)	(7,725)	(167,436)	(267,798)	<i>Operating expense</i>
Beban pajak penghasilan	(186)	122,332	--	1,157,768	1,279,914	<i>Other income (charges) - net</i>
Laba (rugi) tahun berjalan	(2,217)	(147,893)	(47,701)	(46,669)	(244,480)	<i>Income tax expense</i>
% kepemilikan efektif	30%	49%	10%	20% - 46,80%	6,67% - 46,80%	% of effective ownership
Bagian laba (rugi) asosiasi tahun berjalan						<i>Share of the profit (loss) for the year of associates</i>
Laba (rugi) komprehensif lain	(2,528)	270,517	17,018	106,245	391,252	
Bagian laba (rugi) komprehensif asosiasi	--	--	--	--	--	<i>Other comprehensive income (loss) Share of other comprehensive income (loss) of associates</i>
Dividen yang diterima dari perusahaan asosiasi	--	--	--	--	--	<i>Dividend received from associates</i>
	1,500	52,816	2,231	--	56,547	

	2015					
	PT Mitra Energi Batam Rp	PT Sumber Segara Primadaya Rp	PT Tanjung Kasam Power Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Lancar						<i>Current</i>
Kas dan setara kas	25,280	71,155	170,488	91,685	358,608	<i>Cash and cash equivalents</i>
Aset lancar lainnya (tidak termasuk kas)	171,640	614,713	149,256	190,475	1,126,084	<i>Other current assets (excluding cash)</i>
Jumlah aset lancar	196,920	685,868	319,744	282,160	1,484,692	<i>Total current assets</i>
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	2,091	566,800	101,750	126,364	797,005	<i>Trade payables</i>
Liabilitas lancar lainnya	63,613	1,677,981	213,213	66,856	2,021,663	<i>Other current liabilities</i>
Jumlah liabilitas lancar	65,704	2,244,781	314,963	193,220	2,818,668	<i>Total current liabilities</i>
Tidak lancar						<i>Non-current</i>
Aset						<i>Assets</i>
Aset	533,732	11,962,019	2,728,715	953,538	16,178,004	
Liabilitas						<i>Liabilities</i>
Liabilitas keuangan	340,552	8,449,991	1,666,436	194,313	10,651,292	<i>Financial liabilities</i>
Liabilitas lainnya	12,082	(198)	510,060	170,649	692,593	<i>Other liabilities</i>
Jumlah liabilitas tidak lancar	352,634	8,449,793	2,176,496	364,962	11,343,885	<i>Total non-current liabilities</i>
Aset bersih	312,314	1,953,313	557,000	677,516	3,500,143	<i>Net assets</i>
% kepemilikan efektif	30%	49%	10%	20% - 46,80%	10% - 49%	% of effective ownership
Bagian atas aset bersih asosiasi						<i>Share of the net assets of associates</i>
Penyesuaian metode ekuitas	93,694	957,124	55,700	212,506	1,319,024	
Jumlah tercatat	8,239	331,561	(11,461)	(1,950)	326,389	<i>Adjustment of equity method</i>
	101,933	1,298,685	44,239	210,556	1,645,413	<i>Total carrying value</i>

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	2015					
	PT Mitra Energi Batam Rp	PT Sumber Segara Primadaya Rp	PT Tanjung Kasam Power Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Pendapatan	116,177	3,833,634	418,505	733,847	5,102,163	Revenue
Beban pokok penjualan	(51,372)	--	(60,323)	(477,457)	(589,152)	Cost of good sold
Depresiasi dan amortisasi	--	(303,261)	--	(13,729)	(316,990)	Depreciation and amortization
Pendapatan keuangan	--	1,451	--	152	1,603	Interest income
Beban keuangan	(37,147)	(8,430)	(71,541)	(30,003)	(147,121)	Interest expense
Beban operasi	(38,619)	(2,389,378)	(77,661)	(163,159)	(2,668,817)	Operating expense
Pendapatan (beban) lain-lain, bersih	13,343	(253,860)	--	404	(240,113)	Other income (charges) - net
Beban pajak penghasilan	(509)	(122,817)	(51,159)	(17,327)	(191,812)	Income tax expense
Laba (rugi) tahun berjalan	<u>1,873</u>	<u>757,339</u>	<u>157,821</u>	<u>32,728</u>	<u>949,761</u>	Profit (loss) for the year
% kepemilikan efektif	30%	49%	10%	20% - 46,80%	10% - 49%	% of effective ownership
Bagian laba (rugi) asosiasi tahun berjalan	<u>562</u>	<u>371,096</u>	<u>15,782</u>	<u>9,814</u>	<u>397,254</u>	Share of the profit (loss) for the year of associates
Laba (rugi) komprehensif lain	--	--	--	--	--	Other comprehensive income (loss)
Bagian laba (rugi) komprehensif asosiasi	--	--	--	--	--	Share of other comprehensive income (loss) of associates
Dividen yang diterima dari perusahaan asosiasi	--	54,225	--	2,327	56,552	Dividend received from associates

Ventura bersama/Joint ventures

	2016					
	PT Unelec Indonesia Rp	PT Bajradaya Sentranusa Rp	PT Bukit Pembangkit Innovative Rp	Lainnya/ Others Rp	Jumlah/ Total Rp	
Lancar						<i>Current</i>
Kas dan setara kas	14,714	380,139	160,539	417,238	972,630	Cash and cash equivalents
Aset lancar lainnya (tidak termasuk kas)	<u>680,162</u>	<u>214,200</u>	<u>28,998</u>	<u>178,601</u>	<u>1,101,961</u>	Other current assets (excluding cash)
Jumlah aset lancar	<u>694,876</u>	<u>594,339</u>	<u>189,537</u>	<u>595,839</u>	<u>2,074,591</u>	Total current assets
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	166,396	130,046	250,735	233,759	780,936	Trade accounts payable
Liabilitas lancar lainnya	<u>765,026</u>	<u>245,967</u>	<u>287,592</u>	<u>150,876</u>	<u>1,449,461</u>	Other current liabilities
Jumlah liabilitas lancar	<u>931,422</u>	<u>376,013</u>	<u>538,327</u>	<u>384,635</u>	<u>2,230,397</u>	Total current liabilities
Tidak lancar						<i>Non-current</i>
Aset	<u>387,801</u>	<u>5,503,025</u>	<u>5,432,027</u>	<u>1,658,333</u>	<u>12,981,186</u>	Assets
Liabilitas						<i>Liabilities</i>
Liabilitas keuangan	--	2,786,202	2,055,971	1,030,917	5,873,090	Financial liabilities
Liabilitas lainnya	<u>43,896</u>	<u>760,082</u>	<u>488,686</u>	<u>43,778</u>	<u>1,336,442</u>	Other liabilities
Jumlah liabilitas tidak lancar	<u>43,896</u>	<u>3,546,284</u>	<u>2,544,657</u>	<u>1,074,695</u>	<u>7,209,532</u>	Total non-current liabilities
Aset bersih	<u>107,359</u>	<u>2,175,067</u>	<u>2,538,580</u>	<u>794,842</u>	<u>5,615,848</u>	Net assets
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas aset bersih ventura bersama	34,731	796,292	945,621	277,421	2,054,065	Share of the net assets of joint ventures
Penyesuaian metode ekuitas	<u>(28)</u>	<u>(393,721)</u>	<u>(122,107)</u>	<u>311,655</u>	<u>(204,201)</u>	Adjustments of equity methods
Jumlah tercatat	<u>34,703</u>	<u>402,571</u>	<u>823,514</u>	<u>589,076</u>	<u>1,849,864</u>	Total carrying value
Pendapatan	715,054	611,731	734,398	976,749	3,037,932	Revenue
Beban pokok penjualan	(686,296)	--	(173,517)	(825,038)	(1,684,851)	Cost of good sold
Depresiasi dan amortisasi	--	(259)	--	(8,397)	(8,656)	Depreciation and amortization
Pendapatan keuangan	--	26,792	4,739	13,077	44,608	Interest income
Beban keuangan	(33,661)	(254,229)	(121,159)	(6,191)	(415,240)	Interest expense
Beban operasi	(80,653)	(24,032)	(297,005)	(99,800)	(501,490)	Operating expense
Pendapatan (beban) lain-lain, bersih	(162,213)	5,792	(9,552)	2,546	(163,427)	Other income (charges) - net
Beban pajak penghasilan	8,727	(81,239)	--	(30,579)	(103,091)	Income tax expense
Laba (rugi) tahun berjalan	<u>(239,042)</u>	<u>284,556</u>	<u>137,904</u>	<u>22,367</u>	<u>205,785</u>	Profit (loss) for the year
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas laba (rugi) tahun berjalan ventura bersama	<u>(77,330)</u>	<u>104,176</u>	<u>51,369</u>	<u>21,238</u>	<u>99,453</u>	Share of the profit (loss) for the year of joint ventures
Laba (rugi) komprehensif lain	--	(11,583)	(13,617)	--	(25,200)	Other comprehensive income (loss)
Bagian atas laba (rugi) komprehensif ventura bersama	--	(4,241)	(5,072)	--	(9,313)	Share of other comprehensive income (loss) of joint ventures
Dividen yang diterima dari ventura bersama	--	115,787	--	35,541	151,328	Dividend received from joint ventures

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	2015				Jumlah/ Total Rp	
	PT Unelec Indonesia Rp	PT Bajradaya Sentranusa Rp	PT Bukit Pembangkit Innovative Rp	Lainnya/ Others Rp		
Lancar						<i>Current</i>
Kas dan setara kas	1,389	482,118	185,970	333,919	1,003,396	Cash and cash equivalents
Aset lancar lainnya (tidak termasuk Kas)	1,076,117	207,894	105,796	287,674	1,677,481	Other current assets (excluding cash)
Jumlah aset lancar	1,077,506	690,012	291,766	621,593	2,680,877	Total current assets
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	96,950	58,787	--	33,506	189,243	Trade accounts payable
Liabilitas lancar lainnya	774,612	314,299	384,436	70,093	1,543,440	Other current liabilities
Jumlah liabilitas lancar	871,562	373,086	384,436	103,599	1,732,683	Total current liabilities
Tidak lancar						<i>Non-current</i>
Aset	241,149	5,710,383	5,242,750	1,557,354	12,751,636	Assets
Liabilitas						<i>Liabilities</i>
Liabilitas keuangan	--	3,006,284	2,476,395	1,387,184	6,869,863	Financial liabilities
Liabilitas lainnya	158,063	760,041	315,951	1,421	1,235,476	Other liabilities
Jumlah liabilitas tidak lancar	158,063	3,766,325	2,792,346	1,388,605	8,105,339	Total non-current liabilities
Aset bersih	289,030	2,260,984	2,357,734	686,743	5,594,491	Net assets
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas aset bersih						<i>Share of the net assets</i>
ventura bersama	93,501	827,746	878,256	242,930	2,042,433	of joint ventures
Penyesuaian metode ekuitas	18,532	(409,323)	(101,039)	(21,318)	(513,148)	Adjustments of equity methods
Jumlah tercatat	112,033	418,423	777,217	221,612	1,529,285	Total carrying value
Pendapatan	253,260	620,739	1,206,877	350,839	2,431,715	Revenue
Beban pokok penjualan	(289,929)	(16,070)	(393,306)	(124,358)	(823,663)	Cost of good sold
Depresiasi dan amortisasi	--	(335)	(816)	(57,866)	(59,017)	Depreciation and amortization
Pendapatan keuangan	--	200	6,781	12,466	19,447	Interest income
Beban keuangan	(9,537)	(240,059)	(114,163)	(45,872)	(409,631)	Interest expense
Beban operasi	(26,632)	(74,006)	(56,166)	(59,541)	(216,345)	Operating expense
Pendapatan (beban) lain-lain, bersih	15,478	163,664	(174,934)	(4,374)	(166)	Other income (charges) - net
Beban pajak penghasilan	--	(117,552)	(98,047)	2,775	(212,824)	Income tax expense
Laba (rugi) tahun berjalan	(57,360)	336,581	376,226	74,069	729,516	Profit (loss) for the year
% kepemilikan efektif	32.35%	36.61%	37.25%	10% - 51%	10% - 51%	% of effective ownership
Bagian atas laba (rugi) tahun berjalan						<i>Share of the</i>
ventura bersama	(18,556)	123,210	140,144	46,939	291,737	profit (loss) for the year
Laba (rugi) komprehensif lain	--	23,455	76,220	--	99,675	of joint ventures
Bagian atas laba (rugi) komprehensif ventura bersama	--	8,586	28,392	--	36,978	Other comprehensive income (loss) of joint ventures
Dividen yang diterima dari ventura bersama	--	69,350	--	35,104	104,454	Dividend received from joint ventures

Investasi pada entitas di atas diperoleh terutama untuk tujuan potensi pertumbuhan jangka panjang, karena seluruh entitas tersebut bergerak dalam industri ketenagalistrikan yang sama dengan industri Perusahaan dan entitas anak.

PT Geo Dipa Energi

PT Geo Dipa Energi didirikan untuk melanjutkan pembangunan pembangkit tenaga listrik Dieng dan Patuha yang sebelumnya dimiliki Himpurna California Energy Limited dan Patuha Power Limited.

Pada tahun 2015 Perusahaan tidak mengakui bagian laba bersih dari PT Geo Dipa Energi sebesar Rp83.257 karena masih terdapat akumulasi kerugian yang melebihi nilai tercatat investasi. Sedangkan pada tahun 2016, Perusahaan mulai mengakui bagian atas laba bersih PT Geo Dipa Energi sebesar Rp83.824.

The investments in the above entities are held primarily for long-term growth potential, since these entities are engaged in the same electricity industry as the Company and its subsidiaries.

PT Geo Dipa Energi

PT Geo Dipa Energi was established to continue the development of the Dieng and Patuha power plant projects previously owned by Himpurna California Energy Limited and Patuha Power Limited.

In 2015, the Company did not recognize share of net income of PT Geo Dipa Energi amounting to Rp83,257 since the accumulated loss is higher than its investment carrying value. Whereas in 2016, the Company has started to recognize share of net income of PT Geo Dipa Energi amounting to Rp83,824.

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Walaupun Perusahaan hanya memiliki 6,67% kepemilikan PT Geo Dipa Energi, Perusahaan mempunyai pengaruh yang signifikan atas PT Geo Dipa Energi. Pengaruh yang signifikan dinilai berdasarkan kemampuan Perusahaan untuk mengarahkan operasional PT Geo Dipa Energi dengan menetapkan Key Performance Indicator (KPI).

Although the Company only has 6.67% ownership in PT Geo Dipa Energi, the Company has significant influence over PT Geo Dipa Energi. The significant influence was indicated by the Company's ability to drive PT Geo Dipa Energi's operation by imposing Key Performance Indicator (KPI).

S2P

Pada tahun 2016 dan 2015, PJB, entitas anak, memperoleh dividen dari S2P masing-masing sebesar US\$3.920.000 dan US\$3.920.000 (ekuivalen Rp52.816 dan Rp54.225).

S2P

In 2016 and 2015, PJB, a subsidiary, received dividends from S2P amounting to US\$3,920,000 and US\$3,920,000, respectively (equivalent to Rp52,816 and Rp54,225).

BDSN

Pada tahun 2016 dan 2015, Perusahaan memperoleh dividen dari BDSN masing-masing sebesar US\$8.786.400 dan US\$5.308.450 (ekuivalen Rp115.787 dan Rp69.350).

BDSN

In 2016 and 2015, the Company received dividend from BDSN amounting to US\$8,786,400 and US\$5,308,450, respectively (equivalent to Rp115,787 and Rp69,350).

Komipo PJB

Pada tahun 2016 dan 2015, PJB, entitas anak, memperoleh dividen dari Komipo PJB masing-masing sebesar Rp35.541 dan Rp35.104.

Komipo PJB

In 2016 and 2015, PJB, a subsidiary, received dividends amounting to Rp35,541 and Rp35,104, respectively.

IPB

Pada tahun 2015, IP, entitas anak, memperoleh dividen dari IPB sebesar Rp2.327.

IPB

In 2015, IP, a subsidiary, received dividend from IPB amounting to Rp2,327.

TJK

PLN Batam, entitas anak, mempunyai pengaruh signifikan di TJK dengan mempertimbangkan adanya keterwakilan PLN Batam pada susunan Direksi TJK. Pada tahun 2016, PLN Batam memperoleh dividen sebesar Rp2.231.

TJK

PLN Batam, a subsidiary, has significant influence over TJK by considering its representation in TJK's Directors. In 2016, PLN Batam received cash dividends amounted to Rp2,231.

MEB

Pada tahun 2016, PLN Batam, entitas anak, memperoleh dividen dari MEB sebesar Rp1.500.

MEB

In 2016, PLN Batam, a subsidiary, received cash dividends from MEB amounted to Rp1,500.

RDM

RE, entitas anak PJB, mempunyai pengendalian bersama atas RDM berdasarkan adanya keharusan kesepakatan bersama atas pengambilan keputusan penting. Selama tahun 2016, RE melakukan tambahan investasi sebesar Rp4.001 tanpa mengubah persentase kepemilikan.

RDM

RE, a subsidiary of PJB, has joint control over in RDM as there must be a unanimous consent on important decisions. During 2016, RE made additional investments amounting to Rp4,001 without percentage changes in ownership.

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CPSI

Pada tahun 2014, PLNE, entitas anak, dan CG International Holding Singapore PTE. LTD. mendirikan CPSI untuk membuat peralatan yang digunakan untuk pendistribusian listrik. PLNE melakukan tambahan penyertaan saham sebesar US\$1.200.000 atau setara dengan Rp16.739 pada tahun 2015.

CPSI

In 2014, PLNE, a subsidiary, and CG International Holding Singapore PTE. LTD. established CPSI, to manufacture equipment used for electricity distribution. PLNE made additional investment amounting to US\$1,200,000 or equivalent to Rp16,739 in 2015.

SGPJB

Pada tanggal 13 Januari 2016, PJBI, entitas anak PJB, melakukan investasi pada SGPJB dengan melakukan penyertaan saham sebesar US\$24.000.000 (ekuivalen Rp319.944), setara dengan kepemilikan saham sebesar 30%.

SGPJB

On January 13, 2016, PJBI, a subsidiary of PJB, made investment to SGPJB with initial investment amounted to US\$24,000,000 (equivalent to Rp319,944), equivalent to 30% ownership share.

GTPJB

Pada tanggal 23 September 2016, PJBI, entitas anak PJB, dan Guangdong Guohua Yuedian Taishan Power Generation Company Limited mendirikan GTPJB dengan investasi awal sebesar US\$150.000 (ekuivalen Rp2.020), setara dengan kepemilikan saham sebesar 30%.

GTPJB

On September 23, 2016, PJBI, a subsidiary of PJB, and Guangdong Guohua Yuedian Taishan Power Generation Company Limited established GTPJB with initial investment amounted to US\$150,000 (equivalent to Rp2,020), equivalent to 30% ownership share.

PT GCL Indotenaga

Pada tanggal 25 Februari 2016, PIT, entitas anak IP, dan Taicang Harbour Golden Concord Electric - Power Generation mendirikan PT GCL Indotenaga untuk menjalankan proyek pembangkit listrik tenaga uap. PIT melakukan pembayaran investasi awal sebesar US\$3.150.000 (setara dengan Rp42.355), setara dengan kepemilikan saham sebesar 35%.

PT GCL Indotenaga

On February 25, 2016, PIT, a subsidiary of IP, and Taicang Harbour Golden Concord Electric - Power Generation established PT GCL Indotenaga to implement the project coal fired power plant. PIT made initial investments amounted to US\$3,150,000 (equivalent to Rp42,355), equivalent to 35% ownership share.

9. Piutang Pihak Berelasi

9. Receivables from Related Parties

	2016 Rp	2015 Rp	
PT Perta Daya Gas	260,085	293,369	PT Perta Daya Gas
PT Komipo Pembangkitan Jawa Bali	16,747	22,329	PT Komipo Pembangkitan Jawa Bali
PT Tanjung Kasam Power	12,465	23,935	PT Tanjung Kasam Power
PT Dalle Energy Batam	9,632	--	PT Dalle Energy Batam
PT Mitra Energi Batam	683	683	PT Mitra Energi Batam
Jumlah	299,612	340,316	Total
Dikurangi bagian jangka pendek	36,548	71,669	Less current portion
Bagian jangka panjang	263,064	268,647	Long-term portion

PT Perta Daya Gas ("PDG")

Pada tanggal 12 Juni 2013, IP, entitas anak, memberikan pinjaman jangka panjang sebesar US\$18.837.112 kepada PDG untuk membiayai proyek *Compressed Natural Gas* (CNG) di PLTU Tambak Lorok, Semarang. Pada tanggal 30 November 2015, IP

PT Perta Daya Gas ("PDG")

On June 12, 2013, IP, a subsidiary, granted a long-term loan amounting to US\$18,837,112 to PDG for the financing of the *Compressed Natural Gas* (CNG) project in PLTU Tambak Lorok, Semarang. On November 30, 2015, IP made an amendment to the long term loan

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melakukan amandemen atas pinjaman jangka panjang yang diberikan kepada PDG sehingga jumlah pinjaman berubah menjadi US\$18.191.529 sesuai dengan jumlah seluruh pencairan hingga tanggal terakhir yakni 9 Januari 2014 dan jangka waktu pinjaman berubah menjadi delapan tahun yang akan jatuh tempo pada 1 Desember 2023. Pemberian pinjaman ini dikenakan bunga 6,5% per tahun. Jumlah bunga atas pokok pinjaman terutang selama masa pembangunan proyek (*Interest During Construction*) dihitung sejak tanggal pencairan dana sampai tanggal 30 Mei 2014 dan dibayarkan secara penuh pada tanggal 1 Juni 2016. Pinjaman pokok akan ditagihkan setiap 6 bulan dari tanggal 1 Juni 2016 sampai dengan 1 Desember 2023. Pada tanggal 31 Desember 2016, saldo piutang yang terdiri dari pokok dan bunga sebesar US\$18.897.451 atau setara dengan Rp253.906 (2015: US\$20.999.242 atau setara dengan Rp289.685). Pada tanggal 31 Desember 2016 dan 2015 piutang lainnya sebesar Rp6.719 dan Rp3.684 merupakan piutang yang antara lain, piutang bunga dan biaya relokasi pegawai.

PT Komipo Pembangkitan Jawa Bali ("Komipo PJB")

Pada tanggal 29 Desember 2010, PJB, entitas anak, menyetujui untuk memberikan pinjaman kepada Komipo PJB dalam bentuk *shareholder loan* dengan suku bunga 14% per tahun. Pinjaman ini bertujuan untuk memberikan Komipo PJB dana cadangan untuk memenuhi kewajiban dalam perjanjian pengembangan operasi dan pemeliharaan dengan PJB, dimana Komipo PJB berkewajiban untuk memiliki dana cadangan selama berlakunya perjanjian untuk enam bulan operasi dan pemeliharaan pembangkit. Jangka waktu pinjaman tujuh tahun sejak tanggal 29 Desember 2010. Pelunasan pembayaran bunga dilakukan setiap tanggal 29 Desember dan cicilan pertama pokok piutang dilaksanakan pada tanggal 29 Desember 2012.

PT Tanjung Kasam Power, PT Mitra Energi Batam, dan PT Dalle Energy Batam

Piutang ini merupakan piutang atas denda kontrak penyediaan tenaga listrik.

Manajemen Perusahaan dan entitas anak berpendapat bahwa piutang pihak berelasi dapat tertagih.

given to PDG which resulted in the revision of the total loan granted to become US\$18,191,529 in accordance with the fund transferred up to January 9, 2014 and the tenor of the loan was revised to eight years and which due on December 1, 2023. This loan bears interest of 6.5% per annum. The total interest on the principal during the construction of the project (Interest During Construction) is effective from the date of cash withdrawal until May 30, 2014 and paid-in full on June 1, 2016. The principal shall be collected every 6 months from date June 1, 2016 until December 1, 2023. As of December 31, 2016, the outstanding principal and accrued interest of the receivables amounted to US\$18,897,451, equivalent to Rp253,906 (2015: US\$20,999,242, equivalent to Rp289,685). As of December 31, 2016 and 2015, other receivables from PDG amounting to Rp6,179 and Rp3,684 represent among others, interest receivables and costs of relocation of employees.

PT Komipo Pembangkitan Jawa Bali ("Komipo PJB")

On December 29, 2010, PJB, a subsidiary, agreed to provide loans to Komipo PJB, in the form of a shareholder loan with annual interest of 14% per annum. The purpose of this loan is to provide cash reserves for Komipo PJB in order to comply with the contractual obligations stipulated in the Expansion Operation and Maintenance Agreement with PJB, which requires Komipo PJB to, at any time of the contract term, maintain the cash reserves for six-months operation and maintenance of power plant. The term of the loan is seven years starting from December 29, 2010. The interest will be due every December 29 and the first installment of principal payment was on December 29, 2012.

PT Tanjung Kasam Power, PT Mitra Energi Batam, and PT Dalle Energy Batam

These receivables represent receivables on penalty of power purchase contracts.

Managements of the Company and its subsidiaries consider these receivables from related parties to be collectible.

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**10. Rekening Bank dan Deposito Berjangka
Dibatasi Penggunaannya** **10. Restricted Cash in Banks and Time
Deposits**

	2016 Rp	2015 Rp	
Angsuran sewa pembiayaan dan jaminan operasi			Lease installments and operation guarantee
Deposito berjangka			Time deposits
Sumitomo Mitsui			Sumitomo Mitsui
Banking Corporation, Singapura			Banking Corporation, Singapore
JPY	6,797,365	8,160,752	JPY
US\$	603,573	613,115	US\$
Bank Bukopin - Rupiah	49,855	--	Bank Bukopin - Rupiah
Jaminan pembelian gas			Guarantee deposit for gas purchases
Deposito berjangka - Rupiah			Time deposits - Rupiah
Bank Mandiri - pihak berelasi	--	14,054	Bank Mandiri - related party
Rekening bank - Rupiah			Cash in bank - Rupiah
Bank Central Asia	--	7,880	Bank Central Asia
Jaminan bank garansi			Bank guarantee
Rekening bank - Rupiah			Cash in banks - Rupiah
Bank Mandiri - pihak berelasi	12,159	291	Bank Mandiri - related party
Bank Negara Indonesia - pihak berelasi	1,269	777	Bank Negara Indonesia - related party
Bank Woori Saudara	39	108	Bank Woori Saudara
Jumlah	7,464,260	8,796,977	Total
Tingkat bunga deposito berjangka per tahun			Interest rate per annum on time deposits
Rupiah	8,25%	0,15% - 2,00%	Rupiah
US\$	1,03% - 1,13%	0,51% - 1,03%	US\$
JPY	0,0001% - 0,065%	0,02%-0,11%	JPY
Jangka waktu	1 Tahun/ Year	1 Tahun/ Year	Period

Perusahaan menempatkan dana cadangan pada Sumitomo Mitsui Banking Corporation, Singapura sebesar JPY58.900.167.541 dan US\$44.922.075 pada tanggal 31 Desember 2016 dan sebesar JPY71.257.878.838 dan US\$44.444.701 pada tanggal 31 Desember 2015 untuk memenuhi persyaratan *Financial Lease Agreement* ("FLA").

The Company established a reserve account with Sumitomo Mitsui Banking Corporation, Singapore amounting to JPY58,900,167,541 and US\$44,922,075 as of December 31, 2016 and amounting to JPY71,257,878,838 and US\$44,444,701 as of December 31, 2015 to fulfill the requirement of the Financial Lease Agreement ("FLA").

Rincian rekening bank dan deposito berjangka dibatasi penggunaannya dalam mata uang asing adalah sebagai berikut:

Details of restricted cash in bank and time deposits in foreign currencies are as follows:

	2016		2015		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	
JPY	58,900,167,541	6,797,365	71,257,878,838	8,160,752	JPY
US\$	44,922,075	603,573	44,444,701	613,115	US\$
Jumlah		7,400,938		8,773,867	Total

*) Dalam jumlah penuh

*) In full amount

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11. Aset Tidak Lancar Lain

11. Other Non-Current Assets

	<u>2016</u> Rp	<u>2015</u> Rp	
<u>Biaya dibayar dimuka</u>			<u>Prepaid expenses</u>
Pembelian gas	862,060	895,908	Purchase of gas
Lain-lain	505,222	541,702	Others
Sub jumlah	<u>1,367,282</u>	<u>1,437,610</u>	Sub total
<u>Uang muka</u>			<u>Advances</u>
Pengembangan Proyek	2,152,425	1,406,756	Project development
Pembelian batubara	818,232	848,825	Purchase of coal
Sub jumlah	<u>2,970,657</u>	<u>2,255,581</u>	Sub total
<u>Aset takberwujud</u>			<u>Intangible assets</u>
Biaya legal terkait Perpanjangan hak atas tanah	57,872	50,404	Legal costs to renew land rights
Piranti lunak	567,522	759,565	Software
Sub jumlah	<u>625,394</u>	<u>809,969</u>	Sub total
Investasi saham tidak terdaftar di bursa	967	1,687	Investment in non-listed shares
Jumlah	<u>4,964,300</u>	<u>4,504,847</u>	Total

Amortisasi aset takberwujud
Beban amortisasi aset takberwujud di tahun 2016 dan 2015 masing-masing sebesar Rp275.918 dan Rp213.194.

Amortization of intangible assets
Amortization of intangible assets for 2016 and 2015 amounted to Rp275,918 and Rp213,194, respectively.

12. Kas dan Setara Kas

12. Cash and Cash Equivalents

	<u>2016</u> Rp	<u>2015</u> Rp	
<u>Kas</u>	16,529	12,737	<u>Cash on hand</u>
<u>Bank</u>			<u>Cash in banks</u>
Pihak berelasi			Related parties
Bank Rakyat Indonesia			Bank Rakyat Indonesia
Rupiah	11,982,982	8,222,873	Rupiah
US\$	1,312,360	684,829	US\$
JPY	732	755	JPY
EUR	47,647	72,381	EUR
Bank Mandiri			Bank Mandiri
Rupiah	9,880,319	3,747,226	Rupiah
US\$	545,650	356,308	US\$
EUR	11,635	89,005	EUR
JPY	1,942	1,057	JPY
Bank Negara Indonesia			Bank Negara Indonesia
Rupiah	9,626,030	3,315,716	Rupiah
US\$	318,455	316,790	US\$
CHF	6,150	6,511	CHF
JPY	25,234	2,192	JPY
EUR	39,686	108,266	EUR
Bank Tabungan Negara - Rupiah	1,003,076	2,898	Bank Tabungan Negara - Rupiah
Bank DKI			Bank DKI
Rupiah	721,440	905,042	Rupiah
US\$	39,169	62,992	US\$
JPY	878	871	JPY
Jumlah pihak berelasi	<u>35,563,385</u>	<u>17,895,712</u>	Total related parties

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	Rp	Rp	
Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
Rupiah	2,459,059	2,054,778	<i>Rupiah</i>
US\$	152,947	117,179	<i>US\$</i>
JPY	55,100	69,025	<i>JPY</i>
Bank Internasional Indonesia			<i>Bank Internasional Indonesia</i>
Rupiah	1,451	1,434	<i>Rupiah</i>
US\$	510	634	<i>US\$</i>
Bank Danamon - Rupiah	122,318	77,993	<i>Bank Danamon - Rupiah</i>
Bank Central Asia			<i>Bank Central Asia</i>
Rupiah	391,801	407,122	<i>Rupiah</i>
US\$	23,641	49,166	<i>US\$</i>
Deutsche Bank			<i>Deutsche Bank</i>
US\$	--	858,246	<i>US\$</i>
EUR	--	106	<i>EUR</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	422,864	73,771	<i>Rupiah</i>
US\$	5,649	5,704	<i>US\$</i>
EUR	4,398	13,896	<i>EUR</i>
Jumlah pihak ketiga	<u>3,639,738</u>	<u>3,729,054</u>	<i>Total third parties</i>
Sub Jumlah	<u>39,219,652</u>	<u>21,637,503</u>	<i>Sub Total</i>
<u>Setara kas - deposito berjangka</u>			<u><i>Cash equivalents - time deposits</i></u>
Pihak berelasi - Rupiah			<i>Related parties - Rupiah</i>
Bank Rakyat Indonesia	520,298	651,986	<i>Bank Rakyat Indonesia</i>
Bank Negara Indonesia	654,432	360,000	<i>Bank Negara Indonesia</i>
Bank Mandiri	452,886	237,553	<i>Bank Mandiri</i>
Jumlah pihak berelasi	<u>1,627,616</u>	<u>1,249,539</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
Rupiah	914,607	557,500	<i>Rupiah</i>
JPY	57,235	--	<i>JPY</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	90,113	150,112	<i>Rupiah</i>
US\$	--	1,685	<i>US\$</i>
Jumlah pihak ketiga	<u>1,061,955</u>	<u>709,297</u>	<i>Total third parties</i>
Sub Jumlah	<u>2,689,571</u>	<u>1,958,836</u>	<i>Sub Total</i>
Jumlah Kas dan Setara Kas	<u>41,909,223</u>	<u>23,596,339</u>	<i>Total Cash and Cash Equivalents</i>
Tingkat bunga deposito berjangka per tahun			<i>Interest rate per annum on time deposits</i>
Rupiah	7,16% - 7,81%	4,50% - 9,50%	<i>Rupiah</i>
JPY	0,15%	--	<i>JPY</i>
US\$	0,50% - 1,49%	0,73% - 0,83%	<i>US\$</i>
Jangka waktu	1 Bulan/ <i>Month</i>	1 Bulan/ <i>Month</i>	<i>Period</i>

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Rincian kas dan setara kas dalam mata uang asing adalah sebagai berikut:

Details of cash and cash equivalents in foreign currencies are as follows:

	2016		2015		
	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	
US\$	178,504,121	2,398,381	177,856,702	2,453,533	US\$
JPY	1,222,842,324	141,122	645,274,365	73,900	JPY
EUR	7,299,106	103,367	18,823,038	283,654	EUR
Lain-lain **)	457,750	6,150	472,008	6,511	Others **)
Jumlah		2,649,020		2,817,598	Total

*) Dalam jumlah penuh

**) Kas dan setara kas dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) *In full amount*

**) *Cash and cash equivalents in other currencies are presented in US\$ equivalents using the exchange rate prevailing at reporting date*

13. Investasi Jangka Pendek

13. Short-Term Investments

	2016 Rp	2015 Rp	
Deposito berjangka			<i>Time deposits</i>
Pihak berelasi			<i>Related parties</i>
Bank Rakyat Indonesia	367,200	50,000	<i>Bank Rakyat Indonesia</i>
Bank Mandiri	--	66,150	<i>Bank Mandiri</i>
Jumlah pihak berelasi	367,200	116,150	<i>Total related parties</i>
Investasi lain-lain	7,571	3,909	<i>Other investments</i>
Jumlah investasi jangka pendek	374,771	120,059	Total short-term investments
Tingkat bunga deposito berjangka per tahun	5,50% - 7,25%	6,50% - 7,25%	<i>Interest rate per annum on time deposits</i>
Jangka waktu	6 Bulan/ Months	6 Bulan/ Months	<i>Period</i>

Risiko kredit pada aset keuangan tersebut dianggap dapat diabaikan, sebab pihak lawan merupakan bank terkemuka dengan peringkat kredit eksternal berkualitas tinggi.

The credit risk on these financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

14. Piutang Usaha

14. Trade Receivables

a. Berdasarkan langganan

a. By debtor

	2016 Rp	2015 Rp	
<u>Pihak berelasi</u>			<i>Related parties</i>
Badan Usaha Milik Negara	568,123	571,894	<i>State-owned enterprises</i>
Cadangan kerugian penurunan nilai	(2,665)	(2,806)	<i>Allowance for impairment losses</i>
Jumlah pihak berelasi - bersih	565,458	569,088	<i>Total related parties - net</i>
<u>Pihak ketiga</u>			<i>Third parties</i>
Umum	20,444,950	18,564,360	<i>Public</i>
TNI dan Polri	603,286	430,670	<i>Indonesian Armed Forces</i>
Institusi Pemerintah lainnya	1,120,444	1,129,927	<i>Other Government Institutions</i>
Sub jumlah	22,168,680	20,124,957	<i>Sub total</i>
Cadangan kerugian penurunan nilai	(1,023,177)	(859,818)	<i>Allowance for impairment losses</i>
Jumlah pihak ketiga - bersih	21,145,503	19,265,139	<i>Total third parties - net</i>
Bersih	21,710,961	19,834,227	Net

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**b. Berdasarkan umur piutang usaha yang
belum diturunkan nilainya**

	2016 Rp	2015 Rp
Belum jatuh tempo	19,806,412	17,462,474
Lewat jatuh tempo		
1 s/d 90 hari	1,120,873	1,553,524
91 s/d 360 hari	735,436	740,299
Lebih dari 360 hari	1,074,082	940,554
Jumlah	22,736,803	20,696,851
Mutasi cadangan		
kerugian penurunan nilai		
Saldo awal tahun	(862,624)	(597,595)
Penambahan	(243,244)	(272,667)
Penghapusan	80,026	7,638
Saldo akhir tahun	(1,025,842)	(862,624)

**b. By age category of receivables that are
not impaired**

*Not yet due
Past due
1 to 90 days
91 to 360 days
More than 360 days
Total*

*Changes in the allowance
for impairment losses
Balance at beginning of year
Additions
Write-off
Balance at end of year*

Piutang usaha Perusahaan, PLN Batam dan PLN Tarakan dijamin dengan uang jaminan langganan jika terjadi kegagalan pembayaran (Catatan 34).

The Company, PLN Batam and PLN Tarakan's trade receivables are secured by the customers' security deposits in case of default (Note 34).

Provisi kerugian penurunan nilai dibentuk secara kolektif untuk seluruh piutang yang telah lewat jatuh tempo.

Provision for impairment losses were made collectively for all trade receivables which are past due.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang adalah cukup. Pada tanggal 31 Desember 2016, jumlah piutang Perusahaan yang belum jatuh tempo dan tidak mengalami penurunan nilai adalah sebesar Rp19.806.412. Manajemen berkeyakinan bahwa tidak ada risiko kredit kualitas yang buruk karena Perusahaan memiliki jumlah pelanggan yang besar, tersebar mencakupi segmen pasar dan area geografis yang luas di seluruh Indonesia. Kesimpulan ini didukung juga oleh data historis kolektibilitas Perusahaan atas piutang usaha yang baik selama beberapa tahun.

Management believes that the allowances made for impairment losses are adequate. As of December 31, 2016, the Company's receivables balance that is neither past due nor impaired amounting to Rp19,806,412. The management believes there is no heightened risk of poor credit quality of accounts receivable because it has a broad customer base, dispersed across varying market segments and geographic locations throughout Indonesia. This assessment is also supported by the Company's good historical collection rate of trade receivable across the years.

15. Piutang Subsidi Listrik

15. Receivables on Electricity Subsidy

	2016 Rp	2015 Rp	
Tahun anggaran			<i>Budget years</i>
2014	--	12,280,861	<i>2014</i>
2015	5,220,148	5,220,148	<i>2015</i>
2016	7,225,962	--	<i>2016</i>
Jumlah	12,446,110	17,501,009	Total

Selama tahun 2016, Perusahaan telah menerima piutang subsidi listrik tahun anggaran 2014 sebesar Rp12.280.861.

In 2016, the Company collected receivables on electricity subsidy for budget year 2014 amounting to Rp12,280,861.

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Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Risiko kredit pada piutang subsidi listrik dianggap dapat diabaikan, sebab pihak lawan merupakan Pemerintah Indonesia.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The credit risk on receivables on electricity subsidy is considered negligible, since the counterparty is the Government of Indonesia.

16. Piutang Lain-Lain

16. Other Receivables

	2016 Rp	2015 Rp	
Karyawan	373,652	354,756	Employees
Lain-lain	2,388,197	439,009	Others
Jumlah	2,761,849	793,765	Total
Dikurangi bagian jangka pendek	2,411,384	481,681	Less current portion
Bagian jangka panjang	350,465	312,084	Long-term portion

Karyawan

Piutang karyawan merupakan pinjaman kepemilikan rumah. Pelunasan piutang dilakukan melalui pemotongan gaji.

Employees

Account receivables from employees represent housing loans, which are paid monthly through salary deduction.

Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Manajemen Perusahaan berpendapat bahwa piutang tersebut dapat tertagih.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The Company's management considers these receivables to be collectible.

17. Persediaan

17. Inventories

	2016 Rp	2015 Rp	
Batubara, bahan bakar dan pelumas	6,066,737	7,165,500	Coal, fuel and lubricants
Persediaan umum	2,827,297	2,602,706	General supplies
Switchgear dan jaringan	1,701,724	1,020,159	Switchgear and network
Alat ukur, pembatas dan kontrol	745,438	539,591	Meter recording device and control equipment
Transformator	250,364	126,404	Transformers
Kabel	93,361	77,056	Wire
Jumlah	11,684,921	11,531,416	Total
Penyisihan penurunan nilai	(115,325)	(115,553)	Allowance for decline in value
Bersih	11,569,596	11,415,863	Net
Mutasi penyisihan penurunan nilai			Changes in allowance for decline in value
Saldo awal tahun	(115,553)	(114,611)	Balance at beginning of year
Pemulihan (penambahan)	228	(942)	Recovery (additions)
Saldo akhir tahun	(115,325)	(115,553)	Balance at end of year

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Manajemen berpendapat bahwa penyisihan yang ditetapkan memadai untuk menutup risiko penurunan nilai persediaan.

Management believes that the allowance is adequate to cover possible losses on the decline in value of inventories.

Perusahaan dan entitas anak tidak mengasuransikan persediaan untuk menutup risiko atas kemungkinan kerugian yang timbul pada persediaan.

The Company and its subsidiaries do not have any insurance coverage to cover the possible losses in inventories.

18. Pajak Dibayar Dimuka

18. Prepaid Taxes

	2016 Rp	2015 Rp	
Pajak penghasilan badan lebih bayar Perusahaan			<i>Overpayment of corporate income tax The Company</i>
2016	105,548	--	<i>2016</i>
2015	2,323,797	2,323,797	<i>2015</i>
2014	147,993	147,993	<i>2014</i>
Entitas anak			<i>Subsidiaries</i>
2016	716,827	--	<i>2016</i>
2015	126,990	126,990	<i>2015</i>
Bea materai	23,977	19,156	<i>Stamp duty</i>
Pajak pertambahan nilai	821,211	538,271	<i>Value added tax</i>
Pembayaran dimuka atas Surat Ketetapan Pajak Kurang Bayar	2,940,187	2,109,238	<i>Prepayment of Tax Assessment Letter for Underpayment</i>
Jumlah	7,206,530	5,265,445	Total

Lihat Catatan 47 untuk informasi mengenai beban pajak penghasilan dan surat ketetapan pajak.

Refer to Note 47 for income tax expense information and tax assessment letters.

19. Biaya Dibayar Dimuka dan Uang Muka

19. Prepaid Expenses and Advances

	2016 Rp	2015 Rp	
Biaya dibayar dimuka			<i>Prepaid expenses</i>
Premi asuransi	79,261	182,638	<i>Insurance</i>
Sewa	119,351	155,437	<i>Rent</i>
Gaji dan tunjangan	--	5,825	<i>Salaries and allowances</i>
Sub jumlah	198,612	343,900	<i>Subtotal</i>
Uang muka			<i>Advances</i>
Pembelian barang	199,749	183,514	<i>Purchases</i>
Lain-lain	499,678	531,087	<i>Others</i>
Sub jumlah	699,427	714,601	<i>Subtotal</i>
Jumlah	898,039	1,058,501	Total

20. Modal Saham dan Saldo Laba

20. Capital Stock and Retained Earnings

Modal saham
Seluruh saham Perusahaan dimiliki oleh Pemerintah Republik Indonesia.

Capital stock
The Company's shares of stock are wholly owned by the Government of the Republic of Indonesia.

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Pada tanggal 31 Desember 2016, Perusahaan mempunyai modal dasar sebesar Rp204.000.000 yang terbagi atas 204.000.000 saham dengan nilai nominal Rp1 per saham.

As of December 31, 2016, the Company has authorized capital of Rp204,000,000 consisting of 204,000,000 shares, with par value of Rp1 per share.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa tanggal 18 Juli 2001, sebagaimana dinyatakan dalam Akta No. 43 tanggal 26 Oktober 2001 dari Haryanto, S.H., notaris di Jakarta, pemegang saham menyetujui antara lain:

Based on the Extraordinary Stockholders' General Meeting dated July 18, 2001, as stated in Deed No. 43 dated October 26, 2001 of Haryanto, S.H., notary in Jakarta, the stockholders approved among other items as follows:

- Melakukan konversi utang Perusahaan kepada Pemerintah sebesar Rp28.781.355, yang berasal dari tunggakan bunga dan denda penerusan pinjaman menjadi tambahan penyertaan modal Pemerintah. Konversi utang menjadi penyertaan modal telah memperoleh persetujuan Menteri Keuangan Republik Indonesia sesuai surat No. S-352/MK.06/2001 tanggal 20 Juni 2001.
- Meningkatkan modal ditempatkan dan disetor sebesar Rp28.781.354, sehingga modal ditempatkan dan disetor Perusahaan menjadi sebesar Rp46.107.154, terbagi atas 46.107.154 saham dengan nilai nominal Rp1 per saham.

- Convert the Company's liability to the Government amounting to Rp28,781,355, arising from overdue interest and penalty on two-step loans, into Government Equity Participation. The conversion was approved by the Minister of Finance of the Republic of Indonesia in its decision letter No. S-352/MK.06/2001 dated June 20, 2001.

Pada tanggal 1 Agustus 2001, tambahan penyertaan modal Pemerintah tersebut telah ditetapkan dalam Peraturan Pemerintah No.61 tahun 2001.

- Increase the subscribed and paid-up capital by Rp28,781,354, resulting in the Company's total subscribed and paid-up capital amounting to Rp46,107,154 consisting of 46,107,154 shares with par value of Rp1 per share.

Pada tanggal 4 Maret 2011, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 20 tahun 2011 sehubungan dengan tambahan penyertaan modal Pemerintah pada Perusahaan sebanyak 90.226 saham atau sebesar Rp90.226. Tambahan penyertaan modal Pemerintah tersebut dilakukan dengan cara mengalihkan seluruh saham milik Pemerintah pada PT Pelayaran Bahtera Adhiguna.

On August 1, 2001, the additional equity participation from Government has been stated in Government Regulation No.61 year 2001.

On March 4, 2011, the Government of the Republic of Indonesia issued Government Regulation No. 20 year 2011 relating to the increase in the Government's equity participation in the Company, consisting of 90,226 shares or an equivalent of Rp90,226. The increase in the Government's equity participation in the Company is through the transfer of the Government's share in PT Pelayaran Bahtera Adhiguna.

Berdasarkan keputusan pemegang saham Perusahaan di luar Rapat Umum Pemegang Saham No. KEP-118/MBU/2011 tanggal 27 Mei 2011, sebagaimana tercantum dalam akta notaris No. 4 tanggal 5 Agustus 2011 dari Lenny Janis Ishak, S.H., notaris di Jakarta, pemegang saham menyetujui pengeluaran saham baru Perusahaan untuk diambil bagian oleh Pemerintah Republik Indonesia sebesar Rp90.226 atau sebanyak 90.226 saham. Penambahan penerbitan

Based on the decision of the Company's shareholders at the General Shareholders Meeting No. KEP-118/MBU/2011, dated on May 27, 2011, as stated in Deed No. 4, dated August 5, 2011 of Lenny Janis Ishak, S.H., notary in Jakarta, the stockholders approved the new issuance of the Company's shares as stocks to the Government of Republic of Indonesia in the amount of Rp90,226, equivalent to 90,226 shares. The additional issuance of shares to the Government of the

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saham kepada Pemerintah Republik Indonesia berasal dari pengalihan 21.674 saham milik Pemerintah Republik Indonesia pada PT Pelayaran Bahtera Adhiguna kepada Perusahaan. Keputusan ini mulai berlaku sejak tanggal penandatanganan akta pengalihan saham PT Pelayaran Bahtera Adhiguna dari Pemerintah Republik Indonesia kepada Perusahaan di tahun 2011.

Republic of Indonesia came from the transfer of 21,674 shares of the government of the Republic of Indonesia in PT Pelayaran Bahtera Adhiguna to the Company. The Decision has been effective since the date the Company received the Deed of Transfer of PT Pelayaran Bahtera Adhiguna shares of the Government of the Republic of Indonesia to the Company in 2011.

Berdasarkan surat Menteri Badan Usaha Milik Negara No. S-82/MBU/01/2016 tanggal 25 Januari 2016, sebagaimana tercantum dalam akte notaris No. 12 tanggal 22 Pebruari 2016, pernyataan Keputusan Menteri Badan Usaha Negara sebagai Rapat Umum Pemegang Saham menyetujui hal-hal sebagai berikut:

Based on letter of State Owned Enterprises No. S-82/MBU/01/2016 dated January 25, 2016, as stated in notarial deed No. 12 dated February 22, 2016, decision of State Owned Enterprises Minister as stated in the General Shareholders Meeting approved items the following:

- Peningkatan modal dasar menjadi sebesar Rp204.000.000.
- Penambahan penyertaan modal negara sebesar 9.468.627 lembar saham dengan nilai Rp9.468.627 sehingga meningkatkan modal ditempatkan dan disetor menjadi Rp55.666.007.

- *Increase of authorized capital stock to Rp204,000,000.*
- *Additional Government's equity participation of 9,468,627 shares amounting to Rp9,468,627, increase in subscribed and paid-up capital to Rp55,666,007.*

Saldo laba

Saldo laba terdiri dari:

- i. Saldo laba yang ditentukan penggunaannya
Berdasarkan Undang-Undang Perseroan Terbatas, Perusahaan diharuskan untuk membuat penyisihan cadangan wajib hingga sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh.

Retained earnings

Retained earnings consist of:

- i. Appropriated retained earnings

Under Indonesian Limited Company Law, the Company is required to establish a statutory reserve amounting to at least 20% of the Company's subscribed and paid-up capital.

Berdasarkan Risalah Rapat Umum Pemegang Saham ("RUPS") No. RIS-53/D2.MBU/05/2015, terdapat saldo laba tahun 2014 yang ditetapkan sebagai cadangan umum sebesar Rp7.763.965.

Based on the Minutes of Shareholder's Meeting ("RUPS") No. RIS-53/D2.MBU/05/2015, there is an additional appropriated from the 2014 retained earnings amounting to Rp7,763,965.

Berdasarkan RUPS tahun 2015 No. SKU-146/MBU/06/2016 pada tanggal 30 Juni 2016, terdapat saldo laba tahun 2015 yang ditetapkan sebagai cadangan umum sebesar Rp13.431.547.

Based on RUPS for the year 2015 No. SKU-146/MBU/06/2016 dated June 30, 2016, there is an allocation of appropriated from the 2015 retained earnings amounting to Rp13,431,547.

Saldo laba yang dicadangkan pada tanggal 31 Desember 2016 dan 2015 adalah sebesar Rp40.304.040 dan Rp26.872.493 atau 72% dan 58% dari jumlah modal yang ditempatkan dan disetor penuh.

The balance of the appropriated retained earnings as of December 31, 2016 and 2015 amounted to Rp40,304,040 and Rp26,872,493 or 72% and 58%, respectively, of the Company's subscribed and paid-up capital.

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- ii. Saldo laba yang tidak ditentukan penggunaannya

Berdasarkan penyajian kembali akibat penerapan PSAK 24 secara retrospektif, saldo laba yang tidak ditentukan penggunaannya pada tanggal 31 Desember 2015 adalah Rp41.222.131. Setelah penyesuaian saldo awal berkaitan dengan penerapan POJK No.6, saldo laba yang tidak ditentukan penggunaannya pada 1 Januari 2016 adalah sebesar Rp84.650.585.

Pada tanggal 31 Desember 2016, saldo laba yang tidak ditentukan penggunaannya adalah sebesar Rp77.194.942.

Dividen per lembar saham

Pada tahun 2016 dan 2015, Perusahaan membagikan total dividen kas untuk tahun 2015 dan 2014 masing-masing sejumlah Rp2.137.752 atau Rp38.403 (nilai penuh) per lembar saham dan Rp3.962.441 atau Rp85.772 (nilai penuh) per lembar saham.

- ii. Unappropriated retained earnings

Based on restatement caused by the effect of the retrospective application of SFAS 24, the balance of the unappropriated retained earnings as of December 31, 2015 amounted to Rp41,222,131. After beginning balance adjustment related to the implementation of POJK No.6, the balance of the unappropriated retained earnings as of January 1, 2016 is amounted to Rp84,650,585.

On December 31, 2016, the balance of the unappropriated retained earnings is amounted to Rp77,194,942.

Dividends per share

In 2016 and 2015, the Company paid a total cash dividend for 2015 and 2014 amounting to Rp2,137,752 or Rp38,403 (full amount) per share and Rp3,962,441 or Rp85,772 (full amount) per share, respectively.

21. Tambahan Modal Disetor dan Penyertaan Modal Negara dalam Proses Penerbitan Saham

21. Additional Paid-In Capital and Stock Subscription from Government in Issuance Process

a. Tambahan modal disetor

Tambahan modal disetor diantaranya merupakan tambahan penyertaan modal Pemerintah yang diterima Perusahaan yang statusnya belum ditetapkan, dengan rincian sebagai berikut:

	2016 Rp	2015 Rp	
Bantuan proyek	2,117,922	16,706,712	Project aid
Daftar Isian Pelaksanaan Anggaran	18,303,679	31,722,223	The list of Project Fund
Bantuan Pemerintah Daerah dan lainnya	1,281,038	1,278,092	Local Government participation and others
Jumlah	21,702,639	49,707,027	Total

Bantuan proyek merupakan bantuan luar negeri untuk bidang kelistrikan yang diteruskan Pemerintah Republik Indonesia kepada Perusahaan.

Daftar Isian Pelaksanaan Anggaran merupakan penerimaan dari Pemerintah Republik Indonesia dalam bentuk proyek kelistrikan melalui Departemen Pertambangan dan Energi.

a. Additional paid-in capital

Additional paid-in capital among others represents the Government's additional equity participation received by the Company of which the status has not been determined, with the following details:

Project aid represents overseas aid for electricity projects, which was channelled by the Government of the Republic of Indonesia to the Company.

The List of Project Fund represents electricity projects received from the Government of the Republic of Indonesia through the Department of Mining and Energy.

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Bantuan Pemerintah daerah antara lain berupa tanah dan jaringan listrik yang disumbangkan kepada Perusahaan.

Local Government participation represents land and electricity equipment donated by the local Government to the Company.

Jumlah aset yang didonasikan oleh Pemerintah Republik Indonesia yang telah dicatat sebagai penambahan aset tetap dan tambahan modal disetor sepanjang tahun 2016 dan 2015 adalah masing-masing sebesar Rp2.596.131 dan Rp1.678.761.

The total amount of assets contributed by the Government of the Republic of Indonesia that have been recognized as additions to property, plant and equipment and additional-paid-in capital in 2016 and 2015 amounted to Rp2,596,131 and Rp1,678,761, respectively.

Di tahun 2016, Tambahan modal disetor berasal dari partisipasi Entitas Anak dalam Pengampunan Pajak adalah sebesar Rp94.504 (Catatan 47).

In year 2016, Additional paid-in capital arising from the Subsidiaries' participation in Tax Amnesty is amounted to Rp94,504 (Note 47).

b. Penyertaan modal Negara dalam proses penerbitan saham

Pada tanggal 28 Desember 2015, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 42 tahun 2015 dan No. 125 tahun 2015 sehubungan dengan penambahan modal saham (Penyertaan Modal Pemerintah) sejumlah masing-masing Rp4.468.627 dan Rp5.000.000. Sejumlah Rp5.000.000 merupakan setoran tunai, sedangkan Rp4.468.627 merupakan reklasifikasi dari tambahan modal disetor.

b. Stock subscription from Government in issuance process

On December 28, 2015, the Government of Republic of Indonesia issued Regulation No. 42 year 2015 and No. 125 year 2015 regarding additional capital stock (Government's equity participation) amounting to Rp4,468,627 and Rp5,000,000, respectively. An amount of Rp5,000,000 was in cash, whereas Rp4,468,627 was reclassified from additional paid-in capital.

Per tanggal 31 Desember 2016, sesuai dengan akta notaris dari Lenny Janis Ishak, S.H., No. 12 tanggal 22 Pebruari 2016, akun ini telah direklasifikasi ke modal ditempatkan dan disetor.

As of December 31, 2016, based on notarial deed of Lenny Janis Ishak, S.H., No. 12 dated February 22, 2016, this account has been reclassified to subscribed and paid-up capital.

Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 16 tahun 2016 dan No. 17 tahun 2016 serta No. 33 tahun 2016 sehubungan dengan penambahan modal saham (Penyertaan Modal Negara) sebesar masing-masing Rp8.860.208 dan Rp11.159.688 serta Rp10.580.623 yang merupakan reklasifikasi dari tambahan modal disetor.

The Government of Republic of Indonesia issued Government Regulation No. 16 year 2016 and No. 17 Year 2016 and No. 33 year 2016 regarding additional capital stock (Government's Equity Participation) amounting to Rp8,860,208, Rp11,159,688 and Rp10,580,623, respectively, which was reclassified from additional paid-in-capital.

Pada tanggal 30 Desember 2016, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 91 tahun 2016 sehubungan dengan penambahan modal saham (Penyertaan Modal Negara) sebesar Rp23.560.000.

On the December 30, 2016, the Government of Republic of Indonesia issued Government Regulation No. 91 year 2016 regarding additional capital stock (Government's Equity Participation) amounting to Rp23,560,000.

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22. Pendapatan Ditangguhkan

22. Deferred Revenue

Akun ini merupakan penerimaan dari pelanggan yang mana jasa penyambungan terkait belum diselesaikan oleh Perusahaan. Rincian pendapatan ditangguhkan adalah sebagai berikut:

This account represents connection fees received from customers for which the connection services have not been completed by the Company. Details of the deferred revenue are as follows:

	2016 Rp	2015 Rp	
Saldo awal tahun	1,533,703	1,306,976	<i>Balance at beginning of year</i>
Penerimaan tahun berjalan	6,665,660	6,368,062	<i>Additions during the year</i>
Diakui sebagai pendapatan tahun berjalan	(7,052,136)	(6,141,335)	<i>Recognized as revenue during the year</i>
Saldo akhir tahun	1,147,227	1,533,703	<i>Balance at end of year</i>

23. Penerusan Pinjaman

23. Two-Step Loans

Akun ini merupakan pinjaman luar negeri Pemerintah Republik Indonesia yang tidak diikat jaminan dan diteruskan kepada Perusahaan untuk membiayai proyek-proyek Perusahaan. Rincian penerusan pinjaman adalah sebagai berikut:

This account represents overseas, collateral-free loans of the Government of the Republic of Indonesia which are passed on to the Company to finance its projects. The details of the two-step loans are as follows:

	2016				Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period **)
	Dalam mata uang asing/ In foreign currencies *)	Ekivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp		
International Bank for Reconstruction and Development (IBRD)						
US\$						
IBRD - 4712 dan/ and 7758 IND - 1165	57,492,186	772,465	123,763	648,702	LIBOR Base Rate + LIBOR Total Spread + 0,35%	2004 - 2023
IBRD - 7905 IND - 1235	18,698,765	251,237	--	251,237	LIBOR + variable spread + 0,45%	2010 - 2034
IBRD - 7940 IND - 1238	107,620,142	1,445,984	--	1,445,984	LIBOR + variable spread+ 0,45%	2011 - 2034
IBRD - 8057 IND - 1244	30,963,783	416,029	--	416,029	IBRD + variable spread + 0,45%	2012 - 2035
IBRD 8280 ID - 1256	20,376,581	273,780	--	273,780	LIBOR + variable spread + 0,45%	2014 - 2034
Asian Development Bank (ADB)						
US\$						
ADB - 1982 INO - 1170	123,730,235	1,662,439	88,432	1,574,007	LIBOR + 0,35%	2004 - 2027
ADB - 1983 INO - 1171	84,040,075	1,129,162	60,065	1,069,097	LIBOR + 0,35%	2004 - 2027
ADB - 2619 INO - 1236	38,105,575	511,987	10,328	501,659	LIBOR + 0,6% - 0,4% + 0,45%	2010 - 2035
ADB 3015 INO - 1255	28,081,613	377,305	15,100	362,205	LIBOR + 0,60% + 0,45%	2014 - 2033
ADB 3083 INO - 1257	1,916,913	25,756	--	25,756	LIBOR + 0,60% + 0,45%	2014 - 2033
ADB 8276 INO - 1258	212,900	2,861	--	2,861	LIBOR + 1,40% + 0,45%	2014 - 2033
Kreditanstalt Fur Wiederaufbau, Jerman (KfW)						
EUR						
KfW - 95.65.136 - 934a	4,327,774	61,288	15,322	45,966	0,75% + 2% dan/and 2% + 0,35% dan/ and KfW + 0,35%	1996 - 2020
US\$						
KfW - 10599 IND - 1179	3,533,086	50,034	33,356	16,678	4,86% +0,35%	2003 - 2018
US\$						
KfW - 10598 IND - 1183	1,099,231	14,769	14,769	--	4,75% + 0,35%	2004 - 2017
Japan Bank for International Cooperation/ Japan International Cooperation Agency (d/h The Export-Import Bank of Japan)						
Yen						
JBIC IP 512 - 1163	44,905,296,000	5,182,291	304,841	4,877,450	1,8% + 0,35%	2004 - 2033
JBIC IP 513 - 1164	13,704,958,000	1,581,619	93,036	1,488,583	1,8% + 0,35%	2004 - 2033
JBIC IP 515 - 1177	48,314,210,000	5,575,696	318,611	5,257,085	1,3% + 0,35%	2004 - 2034
JBIC IP 516 - 1196	503,415,000	58,097	2,113	55,984	0,75% + 0,35%	2004 - 2044
JBIC IP 517 - 1178	4,358,805,000	503,027	18,292	484,735	0,75% + 0,35%	2004 - 2044
JBIC - 1187	625,717,662	72,211	28,884	43,327	2,01% + 1,99% + 0,35%	2004 - 2019
JBIC IP 525 - 1197	15,014,940,000	1,732,798	60,800	1,671,998	0,75% + 0,35%	2005 - 2045
JBIC IP 526 - 1198	632,979,588	73,049	2,563	70,486	0,75% + 0,35%	2005 - 2045
JBIC IP 527 - 1211	9,677,262,639	1,116,803	27,239	1,089,564	1,75%	2007 - 2037
JBIC IP 532 - 1214	1,071,392,269	123,644	--	123,644	1,20%	2006 - 2048
JBIC IP 537 - 1220	284,232,810	32,802	25,323	7,479	1,95%	2009 - 2037
JBIC IP 538 - 1221	13,107,907,123	1,512,717	98,444	1,414,273	1,20%	2009 - 2047
JBIC IP 539 - 1222	9,782,320,654	1,128,928	90,744	1,038,184	1,95%	2009 - 2037
JICA IP 555 - 1231	1,412,791,775	163,043	--	163,043	0,012%	2013 - 2039

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2016						
Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period **)	
JICA IP 556 - 1249	1,706,628,617	196,953	--	1,4% + 0,45%	2013 - 2040	
JICA - IP 560- 1253	146,127,599	16,864	--	0,3% + 0,45% dan/ and 0,01% +0,45%	2013 - 2053	
JBIC - 1243	2,126,533,998	245,412	44,623	1,82% + 1,04% + 0,45%	2012 - 2022	
JBIC - 1188	248,702,574	28,701	14,350	4,02% + 0,35%	2005 - 2018	
JBIC - 1192	2,778,628,705	320,667	213,778	4,47% + 0,35%	2005 - 2018	
JBIC LA No 1 - 1216	3,475,011,524	401,033	121,801	4,41%	2008 - 2020	
JBIC LA No 2 - 1219	906,041,104	104,562	54,659	3,90%	2008 - 2018	
JBIC LA No 3 - 1233	491,491,547	56,721	18,806	3,91%	2010 - 2020	
JBIC LA No 4 - 1234	1,524,699,100	175,958	60,673	3,74%	2010 - 2020	
JBIC LA No 5 - 1218	2,884,580,318	332,895	84,212	3,98%	2008 - 2020	
JBIC - LA 043190-004 -1250	83,451,648	9,631	--	1,58% + 0,62% + 0,45%	2013 - 2025	
JICA - IP 561- 1252	126,748,996	14,627	--	0,01% + 0,45%	2012 - 2053	
Midland Bank Public Limited Company Rupiah						
Midland Bank - 798	--	59,745	14,936	SUN benchmark related to the year with tenor 20 years	1995 - 2020	
Midland Bank - 818	--	4,802	1,372	SUN benchmark related to the year with tenor 20 years	1995 - 2020	
Banque Paribas						
Banque Paribas 1063- GBP EUR	6,072,698	100,245	16,708	3,343%+ 0,35%	1998 - 2022	
Banque Paribas - 1158	7,869,441	111,443	34,457	Lender interest rate to Government + 0,35%	2002 - 2020	
Banque Paribas - 1176	2,603,421	36,868	24,579	4,76% + 0,35%	2004 - 2018	
Calyon and BNP Paribas						
EUR						
Calyon BNP Paribas - 1175	1,342,021	19,004	9,502	5,32% + 0,35%	2004 - 2018	
BNP Paribas dan/ and Calyon 1206	17,999,931	254,906	72,830	4,81%	2006 - 2020	
Kerajaan Belgia/ Kingdom of Belgium - EUR						
Kerajaan Belgia - 1185	1,920,300	27,194	1,600	0,35%	2005 - 2033	
Fortis Bank Belgia -1186 EUR	156,317	2,214	2,214	4,82% + 0,35%	2005 - 2017	
Efic Australia - AUD 1071	7,934,002	77,153	14,028	3% + 0,35%	1997 - 2022	
China Exim Bank 1181 - US\$	37,149,879	499,146	249,573	3% + 0,35%	2003 - 2018	
China Exim Bank 1248 - US\$	65,931,229	885,852	--	3% + 0,35%	2013 - 2029	
China Exim Bank 1260 -US\$	67,508,912	907,050	--	3% + 0,35%	2015 - 2030	
China Exim Bank 1261-US\$	18,926,646	254,298	--	3% + 0,35%	2015 - 2030	
MKB Hungaria 1180 - US\$	940,656	12,639	8,426	4,81% + 0,35%	2005 - 2018	
AFD 101901R - 1237	24,121,875	324,102	67,180	AFD + 0,47%+0,45%	2010 - 2025	
AFD - 1254	26,071,951	350,303	--	LIBOR + 0,7% + 0,45%	2013 - 2028	
AFD CID 1039 01H - 1259	988,288	13,279	--	LIBOR + 2,05%+0,35%	2014 - 2026	
Total	31,696,088	2,562,332	29,133,756			

*) Dalam jumlah penuh/ In full amount
**) Termasuk masa tenggang pembayaran/ Include grace periods in terms of payments

2015						
Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period **)	
International Bank for Reconstruction and Development (IBRD)						
US\$						
IBRD - 4712 dan/ and 7758 IND - 1165	66,540,782	917,930	124,825	IBRD + 0,5%	2004 - 2023	
IBRD - 7905 IND - 1235	18,684,626	257,754	--	IBRD + 0,5%	2010 - 2034	
IBRD - 7940 IND - 1238	87,699,511	1,209,815	--	IBRD + 0,5%	2011 - 2034	
IBRD - 8057 IND - 1244	28,781,237	397,037	--	IBRD + 0,5%	2012 - 2035	
IBRD 8280 ID - 1256	3,534,667	48,761	--	LIBOR +0,5%	2014 - 2034	
Asian Development Bank (ADB)						
Rupiah						
ADB - 1032 INO - 540	--	85,751	85,751	ADB + 2,75%	1991 - 2016	
ADB - 1092 INO - 580	--	29,863	29,863	ADB + 3,75%	1991 - 2016	
US\$						
ADB - 1982 INO - 1170	129,715,100	1,789,420	82,562	ADB + 0,5%	2004 - 2027	
ADB - 1983 INO - 1171	88,105,116	1,215,410	56,077	ADB + 0,5%	2004 - 2027	
ADB - 2619 INO - 1236	39,022,105	538,310	7,285	ADB + 0,6% - 0,4% + 0,5%	2010 - 2035	
ADB 3015 INO - 1255	24,547,135	338,628	--	ADB + 0,60% + 0,5%	2014 - 2033	
ADB 3083 INO - 1257	207,285	2,860	--	LIBOR + 0,60% + 0,5%	2014 - 2033	
ADB 8276 INO - 1258	22,881	316	--	LIBOR + 1,40% + 0,5%	2014 - 2033	
Kreditanstalt Fur Wiederaufbau, Jerman (KfW)						
EUR						
KfW - 95.65.136 - 934a	5,409,742	81,522	16,304	0,75% - 2% dan/and KfW + 0,35%	1996 - 2020	
KfW - 9024 - 1157	2,999,936	45,208	45,208	KfW + 0,35% dan/and OECD+ 0,35%	2002 - 2016	
KfW - 10599 IND - 1179	5,888,476	88,737	35,495	4,86% +0,35%	2003 - 2018	
US\$						
KfW - 10598 IND - 1183	3,297,693	45,492	30,328	4,75% + 0,35%	2004 - 2017	
Japan Bank for International Cooperation (d/h The Export-Import Bank of Japan)						
Yen						
JBIC IP 512 - 1163	47,546,784,000	5,445,257	302,514	1,8% + 0,35%	2004 - 2033	
JBIC IP 513 - 1164	14,511,132,000	1,661,875	92,326	1,8% + 0,35%	2004 - 2033	
JBIC IP 515 - 1177	51,132,479,348	5,855,906	323,116	1,3% + 0,35%	2004 - 2034	
JBIC IP 516 - 1196	521,721,000	59,750	2,096	0,75% + 0,35%	2004 - 2044	

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	2015					
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Bagian jatuh tempo dalam satu tahun/ Current maturities Rp	Bagian jangka panjang/ Long-term portion Rp	Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period **)
JBIC IP 517 - 1178	4,517,356,107	517,347	18,158	499,189	0,75% + 0,35%	2004 - 2044
JBIC IP 518 - 1187	876,004,726	100,324	28,664	71,660	2,01% + 1,99% + 0,35%	2004 - 2019
JBIC IP 525 - 1197	15,541,780,000	1,779,910	60,336	1,719,574	0,75% + 0,35%	2005 - 2045
JBIC IP 526 - 1198	655,189,398	75,035	2,544	72,491	0,75% + 0,35%	2005 - 2045
JBIC IP 527 - 1211	9,677,262,639	1,108,281	--	1,108,281	1,75%	2007 - 2037
JBIC IP 532 - 1214	1,051,576,175	120,431	--	120,431	1,20%	2006 - 2047
JBIC IP 537 - 1220	284,232,810	32,552	--	32,552	1,95%	2009 - 2037
JBIC IP 538 - 1221	10,875,225,119	1,245,476	--	1,245,476	1,20%	2009 - 2047
JBIC IP 539 - 1222	8,747,820,071	1,001,837	--	1,001,837	1,95%	2009 - 2037
JBIC IP 555 - 1231	1,412,791,775	161,799	--	161,799	0,012%	2013 - 2039
JBIC IP 556 - 1249	995,491,632	114,008	--	114,008	1,4% + 0,45%	2013 - 2040
JICA - IP 560- 1253	138,158,006	15,822	--	15,822	0,3% + 0,45% dan/and 0,01% +0,45%	2013 - 2053
JBIC IP - 1243	2,590,537,998	296,679	53,140	243,539	1,82% + 1,04% + 0,45%	2012 - 2022
JBIC IP - 1188	373,053,863	42,723	14,241	28,482	2,01% + 2,01% dan/and 4,02% + 0,35%	2005 - 2018
JBIC IP - 1192	4,631,047,835	530,367	212,147	318,220	1,96% + 2,51% dan/and 4,47% + 0,5%	2005 - 2018
JBIC LA No 1 - 1216	4,530,437,524	518,845	120,872	397,973	4,41%	2008 - 2020
JBIC LA No 2 - 1219	1,379,665,104	158,005	54,241	103,764	3,90%	2008 - 2018
JBIC LA No 3 - 1233	654,447,547	74,950	18,662	56,288	3,91%	2010 - 2020
JBIC LA No 4 - 1234	2,050,441,100	234,825	60,210	174,615	3,74%	2010 - 2020
JBIC LA No 5 - 1218	3,614,286,318	413,923	83,569	330,354	3,98%	2008 - 2020
Midland Bank Public Limited Company						
Midland Bank - 798	--	74,682	14,936	59,746	SUN seri Benchmark tenor 20 years	1995 - 2020
Midland Bank - 818	--	6,173	1,372	4,801	SUN seri Benchmark tenor 20 years	1995 - 2020
Banque Paribas						
Banque Paribas 1063- GBP	7,084,795	144,892	20,699	124,193	3,34%+ 0,35%	1998 - 2022
EUR						
Banque Paribas - 1158	10,473,374	157,829	39,240	118,589	7,89% + 0,35%	2002 - 2018
Banque Paribas - 1176	4,339,034	65,388	26,155	39,233	4,76% + 0,35%	2004 - 2018
Calyon and BNP Paribas						
EUR						
Calyon BNP Paribas - 1175	2,013,031	30,336	10,112	20,224	5,32% + 0,35%	2004 - 2018
BNP Paribas dan/ and Calyon 1206	23,142,769	348,753	77,502	271,251	4,81%	2006 - 2020
Kingdom of Belgium / Kerajaan Belgia - EUR						
Kerajaan Belgia - 1185	2,033,259	30,640	1,702	28,938	0,35%	2005 - 2033
Fortis Bank Belgia -1186 EUR	468,952	7,067	4,711	2,356	4,82% + 0,35%	2005 - 2017
Efic Australia - AUD 1071	9,376,548	94,367	14,518	79,849	3% + 0,35%	1997 - 2022
China Exim Bank 1181 - US\$	55,724,819	768,724	256,241	512,483	China Exim Bank 3% + 0,35%	2003 - 2018
China Exim Bank 1248 - US\$	44,212,212	609,907	--	609,907	3% + 0,35%	2013 - 2033
MKB Hungaria 1180 - US\$	1,567,760	21,627	8,651	12,976	4,81% + 0,35%	2005 - 2018
AG Francaise 101901F - 1237	29,121,875	401,736	68,975	332,761	AFD + 0,47%+0,45%	2010 - 2025
AFD - 1254	21,001,907	289,721	--	289,721	AFD + 0,7%+0,45%	2013 - 2028
Total		31,710,583	2,505,347	29,205,236		

*) Dalam jumlah penuh/ In full amount

**) Termasuk masa tenggang pembayaran/ Include grace periods in terms of payments

Perusahaan melakukan pembayaran pokok dan bunga penerusan pinjaman sesuai dengan jadwal pembayaran dan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian penerusan pinjaman.

The Company made payments of principal and interest on the two-step loans in accordance with the schedule of payment and complied with the restrictions specified within the agreements of the two-step loans.

Rincian penerusan pinjaman dalam mata uang asing adalah sebagai berikut:

Details of the two-step loans in foreign currencies are as follows:

	2016		2015		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen/ Equivalent Rp	
US\$	753,977,435	10,130,441	641,786,711	8,853,447	US\$
JPY	179,894,874,250	20,760,750	188,308,922,095	21,565,928	JPY
EUR	39,752,290	562,954	56,768,573	855,480	EUR
Lain-lain **)	13,203,171	177,396	17,343,893	239,259	Others **)
Jumlah		31,631,541		31,514,114	Total

*) Dalam jumlah penuh

**) Penerusan pinjaman dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) In full amount

**) Two-step loans denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at the reporting date

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24. Utang Kepada Pemerintah dan Lembaga Keuangan Pemerintah Non-bank **24. Government and Non-Bank Government Financial Institution Loans**

	<u>2016</u> Rp	<u>2015</u> Rp	
Rekening Dana Investasi			<i>Investment Fund Account</i>
No. RDI-393/DP3/2001	1,061,727	1,294,602	<i>No. RDI-393/DP3/2001</i>
PT Sarana Multi Infrastruktur	7,239,876	7,193,884	<i>PT Sarana Multi Infrastruktur</i>
Jumlah	8,301,603	8,488,486	<i>Total</i>
Dikurangi bagian jatuh tempo dalam satu tahun	1,043,793	293,793	<i>Less current maturities</i>
Bagian jangka panjang	<u>7,257,810</u>	<u>8,194,693</u>	<i>Long-term portion</i>
Rekening Dana Investasi			
No. RDI-393/DP3/2001			<i>Investment Fund Account</i>
	<u>2016</u>	<u>2015</u>	
	Rp	Rp	
Pokok pinjaman	1,175,171	1,468,963	<i>Principal</i>
Perbedaan nilai wajar	(113,444)	(174,361)	<i>Fair value difference</i>
Jumlah	<u>1,061,727</u>	<u>1,294,602</u>	<i>Total</i>

Sesuai Surat Menteri Keuangan Republik Indonesia No. S-352/MK.06/2001, pada tanggal 20 Juni 2001 Perusahaan dan Pemerintah Republik Indonesia menyetujui restrukturisasi tunggakan angsuran pokok penerusan pinjaman sebesar Rp5.288.268 menjadi pinjaman berjangka waktu 20 tahun sampai dengan 30 Juli 2021. Pinjaman ini dikenakan bunga 4% per tahun, tanpa jaminan, dan dibayar secara angsuran setiap semester sebesar Rp146.896.

As stated on the letter of the Minister of Finance of the Republic of Indonesia No. S-352/MK.06/2001, on June 20, 2001 the Company and the Government of the Republic of Indonesia agreed to restructure the overdue principal of the two-step loans amounting to Rp5,288,268 to become 20 years period matured on July 30, 2021. The loan bears interest at 4% per annum, unsecured, and paid-in semi-annual installments of Rp146,896.

PT Sarana Multi Infrastruktur

PT Sarana Multi Infrastruktur

	<u>2016</u> Rp	<u>2015</u> Rp	
Pokok pinjaman	7,500,000	7,500,000	<i>Principal</i>
Biaya transaksi yang belum diamortisasi	(24,854)	(32,477)	<i>Unamortized transaction cost</i>
Perbedaan nilai wajar	(235,270)	(273,639)	<i>Fair value difference</i>
Jumlah	<u>7,239,876</u>	<u>7,193,884</u>	<i>Total</i>

Pada tanggal 13 Desember 2011, Perusahaan memperoleh fasilitas pinjaman lunak dari Pusat Investasi Pemerintah ("PIP") Kementerian Keuangan Republik Indonesia sebesar Rp7.500.000, dengan tingkat bunga 5,25% per tahun berjangka waktu 15 tahun.

On December 13, 2011, the Company obtained soft loan facility from the Government Investment Center ("PIP") under the Ministry of Finance of the Republic of Indonesia amounting to Rp7,500,000, with an annual interest rate of 5.25% with 15 years term.

Pinjaman ini digunakan untuk membiayai pengadaan dan penggantian trafo, instalasi perlengkapan transmisi dan distribusi serta investasi lainnya.

This loan was used to finance the procurement and replacement of transformers, the equipment installation of transmission and distribution and also other capital expenditures.

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Pada tanggal 23 Desember 2015, telah dilaksanakan penandatanganan perjanjian pengalihan antara PIP dan PT Sarana Multi Infrastruktur ("SMI") yang mengalihkan seluruh hak dan kewajiban PIP kepada SMI pada saat ini maupun pada masa yang akan datang yang meliputi kepentingan dan tanggungjawab dalam perjanjian investasi Perusahaan.

On December 23, 2015, PIP and PT Sarana Multi Infrastruktur ("SMI") has signed a novation agreement which transfers all current and future rights and obligations of PIP to SMI, including interest and responsibility in the Company's investment agreement.

Sehubungan dengan fasilitas pinjaman tersebut, Perusahaan diwajibkan untuk memelihara perbandingan antara EBITDA dengan beban bunga tidak kurang dari 1,5 : 1. Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian-perjanjian tersebut.

In relation to this loan facility, the Company is required to maintain a ratio of EBITDA with interest expense at a minimum of 1.5 : 1. The Company has complied with the covenants in the borrowing agreement.

Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank berdasarkan jadwal pembayaran pokok, adalah sebagai berikut:

Government and non-bank Government Financial Institution Loans by installment schedules at nominal amount, are as follows:

	2016 Rp	2015 Rp	
Dibayarkan:			Payable:
Dalam satu tahun	1,043,793	293,793	Within one year
Pada tahun kedua	1,043,793	1,043,793	In the second year
Pada tahun ketiga	1,043,793	1,043,793	In the third year
Pada tahun keempat	1,043,793	1,043,793	In the fourth year
Pada tahun kelima dan seterusnya	4,499,999	5,543,791	In the fifth year and thereafter
Jumlah	8,675,171	8,968,963	Total

25. Utang Sewa Pembiayaan

25. Lease Liabilities

Akun ini terdiri dari utang Perusahaan kepada PT Central Java Power ("CJP") dalam rangka Perjanjian Sewa Pembiayaan atas pengadaan pembangkitan tenaga listrik 4x660MW Tanjung Jati B Unit A, B, C dan D.

This account represents the Company's payable to PT Central Java Power ("CJP") in relation to the Financial Lease Agreement on the acquisition of Tanjung Jati B Unit A, B, C and D 4x660MW power plants.

Sehubungan dengan Perjanjian Sewa Pembiayaan CJP, Sumitomo Mitsui Banking Corporation, Singapura bertindak sebagai Escrow Agent dan Sumitomo Mitsui Banking Corporation, Tokyo bertindak sebagai Security Agent. Untuk memenuhi persyaratan Financial Lease Agreement ("FLA"), Perusahaan telah membentuk dana cadangan pada Escrow Agent untuk jaminan pelaksanaan operasi, pemeliharaan dan pengadaan bahan bakar serta untuk angsuran sewa pembiayaan (Catatan 10).

In relation to the CJP Finance Lease Agreement, Sumitomo Mitsui Banking Corporation, Singapore acts as the Escrow Agent and Sumitomo Mitsui Banking Corporation, Tokyo acts as the Security Agent. To fulfill the requirements of Financial Lease Agreement ("FLA"), the Company established a reserve account to an Escrow Agent for guarantee of operations, maintenance and fuel procurement and for lease payments (Note 10).

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Pada tahun 2015, akun ini termasuk utang kepada IPP terkait PPA dan ESC yang ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan sebagai sewa pembiayaan. Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016, PPA dan ESC yang telah diklasifikasikan ke dalam sewa pembiayaan tersebut diperlakukan sebagai transaksi jual beli (Catatan 2.a).

In 2015, this account included amounts payable to certain IPPs in relation to PPAs and ESCs which were determined as containing a lease in accordance with ISFAS 8 and classified as finance leases. As a result of the prospective application of POJK No.6 since January 1, 2016, PPAs and ESCs which have been previously classified as finance lease are now treated as sale and purchase transactions (Note 2.a).

Nilai tunai pembayaran minimum atas utang sewa pembiayaan tersebut pada tahun 2016 dan 2015 adalah sebagai berikut:

The present value of minimum lease payments for such lease liabilities in 2016 and 2015 are as follows:

a. Berdasarkan jatuh tempo

a. By due date

	2016 Rp	2015 Rp	
Pembayaran jatuh tempo dalam waktu :			<i>Minimum lease payments due :</i>
Tidak lebih dari satu tahun	5,888,441	31,340,649	<i>Not later than one year</i>
Antara satu tahun sampai lima tahun	19,487,113	116,763,634	<i>Between one year to five years</i>
Lebih dari lima tahun	5,432,835	355,390,174	<i>More than five years</i>
Jumlah pembayaran sewa minimum	30,808,389	503,494,457	<i>Total minimum lease payments</i>
Dikurangi porsi beban bunga	9,085,997	347,113,556	<i>Less interest expense portion</i>
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	21,722,392	156,380,901	<i>Present value of future minimum lease payments</i>
Dikurangi bagian jatuh tempo dalam satu tahun	3,789,317	6,759,138	<i>Less current maturities</i>
Bagian jangka panjang	17,933,075	149,621,763	Long-term portion
Tingkat bunga:			<i>Interest rate:</i>
CJP	7.60% - 11,00%	5.04% - 24.65%	<i>CJP</i>

b. Berdasarkan Lessor

b. By Lessor

	2016 Rp	2015 Rp	
<u>Pihak berelasi</u>			<i>Related parties</i>
PT Sumber Segara Primadaya - US\$	--	7,342,528	<i>Primadaya - US\$</i>
PT Bajradaya Sentranusa			<i>PT Bajradaya Sentranusa</i>
Asahan - US\$	--	4,745,768	<i>Asahan - US\$</i>
PT Bukit Pembangkit			<i>PT Bukit Pembangkit</i>
Innovative - US\$	--	3,179,676	<i>Innovative - US\$</i>
PT Pertamina Geothermal Energi (The Kamojang) - US\$	--	1,713,522	<i>PT Pertamina Geothermal Energi (The Kamojang) - US\$</i>
PT Geo Dipa Energi - US\$	--	1,560,552	<i>PT Geo Dipa Energi - US\$</i>
PT Tanjung Kasam Power - Rupiah	--	1,180,767	<i>PT Tanjung Kasam Power - Rupiah</i>
PT Dalle Energy Batam - Rupiah	--	684,448	<i>PT Dalle Energy Batam - Rupiah</i>
PT Wijaya Karya - Navigat - Rupiah	--	481,777	<i>PT Wijaya Karya - Navigat - Rupiah</i>
PT Wijaya Karya - Mirlindo Pandu Kencana - US\$	--	253,169	<i>PT Wijaya Karya - Mirlindo Pandu Kencana US\$</i>
Rupiah	--	98,939	<i>Rupiah</i>
PT Mitra Energi Batam - Rupiah	--	90,886	<i>PT Mitra Energi Batam - Rupiah</i>
Jumlah pihak berelasi	--	21,332,032	<i>Total related parties</i>

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	<u>2016</u> <u>Rp</u>	<u>2015</u> <u>Rp</u>	
<u>Pihak ketiga</u>			<u>Third parties</u>
PT Central Java Power - US\$	21,722,392	24,828,858	PT Central Java Power - US\$
PT Paiton Energy - US\$	--	38,622,469	PT Paiton Energy - US\$
PT Jawa Power - US\$	--	21,591,678	PT Jawa Power - US\$
PT Cirebon Electric Power - US\$	--	7,966,534	PT Cirebon Electric Power - US\$
Lain - lain (masing-masing di bawah 5% dari jumlah)	--	42,039,330	Others (each below 5% of total)
Jumlah pihak berelasi	<u>21,722,392</u>	<u>135,048,869</u>	Total third parties
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	21,722,392	156,380,901	Present value of future minimum lease payments
Dikurangi bagian jatuh tempo dalam satu tahun	<u>3,789,317</u>	<u>6,759,138</u>	Less current maturity
Bagian jangka panjang	<u>17,933,075</u>	<u>149,621,763</u>	Long-term portion

Beban bunga dan keuangan terkait sewa pembiayaan CJP pada tahun 2016 dan 2015 masing-masing sebesar Rp4.273.840 dan Rp26.192.782. Beban bunga dan keuangan ini termasuk sewa kontinjen masing-masing sebesar Rp460.467 dan Rp1.352.521 untuk tahun 2016 dan 2015, untuk faktor penyesuaian tertentu, antara lain meliputi kurs konversi mata uang US\$, tingkat bunga dan tingkat pengembalian investasi.

Interest expense and financial charges related to finance leases to CJP in 2016 and 2015 amounted to Rp4,273,840 and Rp26,192,782, respectively. This interest expenses and financial charge include contingent rent amounting to Rp460,467 and Rp1,352,521 for 2016 and 2015, respectively, for certain adjustment factors which include, among other things, conversion of foreign exchange in US\$ currency, interest rate and investment rate of returns.

26. Utang Bank

26. Bank Loans

	<u>2016</u> <u>Rp</u>	<u>2015</u> <u>Rp</u>	
<u>Pinjaman terkait program percepatan</u>			<u>Loans related to fast track program</u>
<u>Pihak berelasi</u>			<u>Related parties</u>
Bank Negara Indonesia	4,128,291	5,071,199	Bank Negara Indonesia
Bank DKI	3,006,321	3,513,394	Bank DKI
Bank Rakyat Indonesia	2,395,588	3,250,011	Bank Rakyat Indonesia
Bank Mandiri	1,461,198	2,107,554	Bank Mandiri
Jumlah pihak berelasi	<u>10,991,398</u>	<u>13,942,158</u>	Total related parties
<u>Pihak ketiga</u>			<u>Third parties</u>
The Export-Import Bank of China	13,833,659	15,998,937	The Export-Import Bank of China
Bank of China Limited	9,357,193	11,446,352	Bank of China Limited
Barclays Bank PLC dan China Development Bank	8,770,729	10,320,351	Barclays Bank PLC and China Development Bank
Bank Bukopin	1,536,029	1,845,283	Bank Bukopin
Bank Mega	1,448,325	2,224,463	Bank Mega
Bank Central Asia	666,234	963,855	Bank Central Asia
Jumlah pihak ketiga	<u>35,612,169</u>	<u>42,799,241</u>	Total third parties
Sub jumlah	<u>46,603,567</u>	<u>56,741,399</u>	Subtotal

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	2016 Rp	2015 Rp	
<u>Pinjaman tidak terkait program percepatan</u>			<u>Loans not related to fast track program</u>
Pihak berelasi			Related parties
Bank Rakyat Indonesia	34,785,714	13,999,808	Bank Rakyat Indonesia
Bank Negara Indonesia	18,500,000	6,500,000	Bank Negara Indonesia
Bank Mandiri	10,773,072	5,250,000	Bank Mandiri
Jumlah pihak berelasi	64,058,786	25,749,808	Total related parties
Pihak ketiga			Third parties
Bank Central Asia	7,000,000	7,000,000	Bank Central Asia
Export Development Canada dan Hungarian			Export Development Canada and Hungarian
Export Import Bank Private Limited Company	5,314,121	--	Export Import Bank Private Limited Company
Asian Development Bank	2,821,560	--	Asian Development Bank
Standard Chartered Bank	2,019,798	1,377,702	Standard Chartered Bank
Japan Bank for International Cooperation	63,828	--	Japan Bank for International Cooperation
Jumlah pihak ketiga	17,219,307	8,377,702	Total third parties
Sub jumlah	81,278,093	34,127,510	Subtotal
Jumlah	127,881,660	90,868,909	Total
Biaya transaksi belum diamortisasi	(1,124,382)	(1,287,581)	Unamortized transaction cost
Jumlah bersih	126,757,278	89,581,328	Total net
Dikurangi bagian jatuh tempo dalam satu tahun			Less current maturities within one year
<u>Pinjaman terkait program percepatan</u>			<u>Loans related to fast track program</u>
Pihak berelasi			Related parties
Bank Negara Indonesia	996,810	996,810	Bank Negara Indonesia
Bank Rakyat Indonesia	15,568,708	2,068,708	Bank Rakyat Indonesia
Bank DKI	676,000	676,000	Bank DKI
Bank Mandiri	1,521,356	1,521,356	Bank Mandiri
Jumlah pihak berelasi	18,762,874	5,262,874	Total related parties
Pihak ketiga			Third parties
Bank of China Limited	1,791,280	1,839,142	Bank of China Limited
The Export-Import Bank of China	1,748,925	1,795,655	The Export-Import Bank of China
Barclays Bank PLC dan China Development Bank	1,281,046	1,315,274	Barclays Bank PLC and China Development Bank
Bank Mega	776,138	776,138	Bank Mega
Bank Bukopin	309,253	309,253	Bank Bukopin
Bank Central Asia	1,297,621	297,621	Bank Central Asia
Export Development Canada dan Hungarian			Export Development Canada dan Hungarian
Export Import Bank Private Limited Company	244,025	--	Export Import Bank Private Limited Company
Standard Chartered Bank	183,618	156,501	Standard Chartered Bank
Jumlah pihak ketiga	7,631,906	6,489,584	Total third parties
Jumlah bagian jatuh tempo dalam satu tahun	26,394,780	11,752,458	Current maturities portion
Bagian jangka panjang	100,362,498	77,828,870	Long-term portion

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Pada tanggal 31 Desember 2016 dan 2015, rincian utang bank dalam mata uang asing adalah sebagai berikut:

As of December 31, 2016 and 2015, details of bank loans in foreign currency are as follows:

	<u>31 Desember/December 31, 2016</u>		<u>31 Desember/December 31, 2015</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen/ equivalent Rp</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen/ equivalent Rp</u>	
US\$	2,989,065,968	40,161,092	2,737,632,476	37,765,640	US\$
EUR	142,625,503	2,019,798	91,422,114	1,377,702	EUR
Jumlah		42,180,890		39,143,342	Total

*) dalam jumlah penuh/ in full amount

Pinjaman terkait program percepatan

Perusahaan memperoleh fasilitas pinjaman dari beberapa bank untuk membiayai 85% dari nilai kontrak *Engineering Procurement and Construction* (EPC) untuk program percepatan. Pinjaman ini sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Peraturan Presiden Republik Indonesia (PP) No. 91 Tahun 2007, pengganti dari PP No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik Yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan dibatasi oleh ketentuan-ketentuan umum sebagaimana ditetapkan dalam perjanjian pinjaman.

Loans related to fast track program

The Company obtained loan facilities from several banks to finance 85% of the value of *Engineering Procurement and Construction* (EPC) contracts for its fast track program. These loans are fully guaranteed by the Government of the Republic of Indonesia in accordance with Presidential Regulation of the Republic of Indonesia (PP) No. 91 Year 2007, which superseded PP No. 86 Year 2006, regarding the Grant of Government Guarantee for Construction of a Coal-Fired Power Plant. In connection with these loans, the Company is restricted by general rules as described in the loan agreements.

Pada tanggal 31 Desember 2016, rincian fasilitas pinjaman tersebut adalah sebagai berikut:

As of December 31, 2016, details of such loan facilities are as follows:

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance Premium US\$*)	Tanggal jatuh tempo/ Date of maturity
		US\$*)	Rp	2016 Rp	2015 Rp			
1	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank of China Limited/ PLTU 1 Indramayu, Jawa Barat	592	--	728,811	734,816	0,785% + LIBOR 6 bulanan/ 6 months	55	27 Mei 2021/ May 27, 2021
2	The Export-Import Bank of China/ PLTU 2 Paiton, Jawa Timur	331	--	325,886	312,493	0,84% + LIBOR 6 bulanan/ 6 months	32	30 Januari 2023/ January 30, 2023
3	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU 2 Labuan, Banten	--	2,741,298	391,614	391,614	0,825% + JIBOR 3 bulanan/ 3 months	--	23 Juli 2018/ July 23, 2018
4	The Export-Import Bank of China/ PLTU 1 Suralaya, Banten	284	--	317,969	304,901	0,84% + LIBOR 6 bulanan/ 6 months	27	30 Januari 2023/ January 30, 2023
5	Barclays Bank PLC and China Development Bank/ PLTU 1 Rembang, Jawa Tengah	262	--	345,511	359,425	3,25% + LIBOR 6 bulanan/ 6 months	--	3 Desember 2021/ December 3, 2021

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No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance Premium US\$*)	Tanggal jatuh tempo/ Date of maturity
		US\$*)	Rp	2016 Rp	2015 Rp			
6	Bank DKI/ PLTU Nagan Raya PLTU 2 Nusa Tenggara Timur PLTU 1 Nusa Tenggara Barat PLTU Sumatera Barat PLTU 2 Kalimantan Barat PLTU 4 Bangka Belitung PLTU Maluku Utara PLTU Sulawesi Tengah PLTU 1 Nusa Tenggara Timur PLTU 2 Sulawesi Utara PLTU Gorontalo PLTU 2 Nusa Tenggara Barat PLTU 1 Kalimantan Tengah	--	4,732,000	676,000	676,000	1% + JIBOR 3 bulanan/ 3 months	--	24 April 2019/ April 24, 2019
7	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Sulawesi Selatan PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan	--	2,074,739	193,903	193,903	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019
8	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ PLTU 1 Rembang, Jawa Tengah	--	1,911,480	273,069	273,069	1,11% + JIBOR 3 bulanan/ 3 months	--	23 Maret 2018/ March 23, 2018
9	Bank Mega/ PLTU 2 Pelabuhan Ratu, Jawa Barat	--	1,874,315	257,663	257,663	1,10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
10	Bank Bukopin/ PLTU 3 Teluk Naga, Banten	--	1,606,612	178,512	178,512	0,71% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2021/ July 29, 2021
11	Bank Mega/ PLTU 2 Nusa Tenggara Barat PLTU Gorontalo PLTU 2 Sulawesi Utara, Manado PLTU Kep Riau, Tanjung Balai Karimun PLTU 1 Nusa Tenggara Timur, Ende PLTU Sulawesi Tenggara 2 PLTU 1 Kalimantan Tengah	--	1,498,513	195,418	195,418	1,10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
12	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU 1 Indramayu, Jawa Barat	--	1,272,913	164,422	164,422	1,10% + JIBOR 3 bulanan/ 3 months	--	23 Februari 2018/ February 23, 2018
13	Bank Mega/ PLTU Lampung PLTU 2 Sumatera Utara, Medan	--	1,240,661	115,154	115,154	1,10% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2018/ July 29, 2018
14	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU 2 Labuan, Banten	--	1,077,578	151,086	151,086	1,12% + JIBOR 3 bulanan/ 3 months	--	18 April 2018/ April 18, 2018
15	Pinjaman sindikasi dikordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Sulawesi Selatan PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan	--	1,151,005	164,429	164,429	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019
16	Bank Bukopin/ PLTU 1 Pacitan, Jawa Timur	--	1,045,924	130,741	130,741	0,71% + JIBOR 6 bulanan/ 6 months	--	29 Juli 2021/ July 29, 2021
17	Bank Mega/ PLTU 1 Suralaya Baru, Banten	--	735,387	122,303	122,303	1,10% + JIBOR 6 bulanan/ 6 months	--	18 April 2018/ April 18, 2018

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No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance Premium US\$*)	Tanggal jatuh tempo/ Date of maturity
		US\$*)	Rp	2016 Rp	2015 Rp			
18	Bank Mega/ PLTU 2 Paton, Jawa Timur	--	600,636	85,600	85,600	1,10% + JIBOR 6 bulanan/ 6 months	--	18 April 2018/ April 18, 2018
19	The Export-Import Bank of China/ PLTU Pelabuhan Ratu	482	--	630,323	310,789	2,8% + LIBOR 6 bulanan/ 6 months	44	12 Februari 2025/ February 12, 2025
	PLTU NAD	124	--	145,215	139,247	2,8% + LIBOR 6 bulanan/ 6 months	12	14 Januari 2025/ January 14, 2025
20	Bank of China Limited/ PLTU Teluk Naga, Banten	455	--	567,013	574,835	2,30% + LIBOR 6 bulanan/ 6 months	46	4 Mei 2022/ May 4, 2022
21	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Tanjung Awar Awar	--	1,155,352	165,050	165,050	1% + JIBOR 3 bulanan/ 3 months	--	30 Januari 2019/ January 30, 2019
22	The Export-Import Bank of China/ PLTU Pacitan	293	--	340,011	326,037	2,8% + LIBOR 6 bulanan/ 6 months	30	2 Juli 2025/ July 2, 2025
23	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Lampung PLTU Sumatera Utara	--	3,941,772	346,543	346,543	1,5% + JIBOR 3 bulanan/ 3 months	34	14 Oktober 2019/ October 14, 2019
24	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ Transmisi/Transmission	--	2,613,012	373,287	373,287	1,5% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
25	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ Transmisi/Transmission	--	327,195	46,742	46,742	1,5% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
26	China Development Bank/ PLTU Adipala, Cilacap	625	--	747,024	763,421	3,85% + LIBOR 6 bulanan/ 6 months	--	14 Oktober 2022/ October 14, 2022
27	China Development Bank/ PLTU Sumbang	138	--	164,450	167,551	3,85% + LIBOR 6 bulanan/ 6 months	--	14 Oktober 2022/ October 14, 2022
28	Bank of China/ PLTU Tanjung Awar Awar	372	--	476,333	483,295	2,30% + LIBOR 6 bulanan/ 6 months	--	14 Desember 2022/ December 14, 2022
29	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ Transmisi/Transmission	--	1,930,063	275,723	275,723	1,50% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
30	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU Riau dan/and PLTU Kalimantan Barat	--	1,080,598	99,793	99,793	1,50% + JIBOR 3 bulanan/ 3 months	--	14 Desember 2019/ December 14, 2019
31	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ Transmisi/Transmission	--	1,067,684	149,547	150,292	1,05% + JIBOR 3 bulanan/ 3 months	--	27 Desember 2020/ December 27, 2020

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		US\$*)	Rp	2016 Rp	2015 Rp			
32	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank DKI/ PLTU Riau Tenayan	--	2,225,000	--	--	1,50% + JIBOR 3 bulanan/ 3 months	--	12 November 2025/ November 12, 2025
33	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Kalimantan Timur	--	2,449,963	--	--	1,20% + JIBOR 3 bulanan/ 3 months	--	17 Desember 2025/ December 17, 2025
Jumlah/Total		<u>3,958</u>	<u>40,353,700</u>	<u>9,345,145</u>	<u>9,034,154</u>		<u>280</u>	

*) Dalam jutaan

*) In million

Pinjaman tidak terkait program percepatan

Loans not related to fast track program

Bank Mandiri

Bank Mandiri

Pinjaman Perusahaan 2011

Corporate Loan 2011

Pada tanggal 27 Desember 2011, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Mandiri sebesar Rp7.000.000, dengan tingkat bunga per tahun sebesar rata-rata tertimbang suku bunga deposito berjangka dalam mata uang Rupiah tiga bulan dari kreditur sindikasi +3,42% dan jatuh tempo tanggal 23 Oktober 2021. Jumlah terutang atas pinjaman ini pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing sebesar Rp4.375.000 dan Rp5.250.000. Jumlah pembayaran pokok pinjaman untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp875.000.

On December 27, 2011, the Company obtained a syndicated investment credit facility coordinated by Bank Mandiri amounting to Rp7,000,000, with annual interest based on weighted average of the three months Rupiah time deposit of syndicated creditors +3.42% and maturity date on October 23, 2021. As of December 31, 2016 and 2015, the outstanding balance amounted to Rp4,375,000 and Rp5,250,000, respectively. The principal loan repayment for the years ended December 31, 2016 and 2015 amounted to Rp875,000, respectively.

Pinjaman Perusahaan 2016

Corporate Loan 2016

Pada tanggal 19 Desember 2016, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp12.000.000 yang dikoordinasikan oleh Bank Mandiri, dengan tingkat suku bunga JIBOR tiga bulanan +1,92% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 19 Desember 2026. Pada tanggal 31 Desember 2016, jumlah terutang atas pinjaman ini adalah sebesar Rp6.398.072. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016.

On December 19, 2016, the Company obtained a syndicated investment credit facility amounting to Rp12,000,000 coordinated by Bank Mandiri, with annual interest rate based on three months JIBOR +1.92% per annum. This credit facility will mature on December 19, 2026. As of December 31, 2016, the outstanding balance amounted to Rp6,398,072. There is no loan repayment during 2016.

Bank Rakyat Indonesia ("BRI")

Bank Rakyat Indonesia ("BRI")

Kredit Modal Kerja 2011

Working Capital Loan 2011

Pada bulan Juni 2011, Perusahaan memperoleh fasilitas kredit modal kerja sindikasi yang dikoordinasikan oleh BRI sebesar Rp15.000.000, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan

In June 2011, the Company obtained a syndicated working capital loan facility coordinated by BRI amounting to Rp15,000,000, with annual interest based on three months JIBOR +1.65% and maturity

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+1,65% dan jatuh tempo pada 21 Juni 2012. Pinjaman ini telah mengalami beberapa kali perubahan. Pada tanggal 8 Juli 2015, fasilitas kredit ini diubah menjadi Rp9.000.000 dengan tingkat suku bunga pinjaman berdasarkan rata-rata deposito berjangka dalam mata uang Rupiah tiga bulanan dari kreditur sindikasi +2,02% dan jatuh tempo diperpanjang sampai 21 Juni 2016. Perubahan di tahun 2016 terjadi pada tanggal 21 Juni 2016 yaitu perubahan jumlah fasilitas kredit menjadi Rp15.000.000 dengan tingkat suku bunga berdasarkan rata-rata deposito berjangka dalam mata uang Rupiah tiga bulanan dari kreditur sindikasi +2,45% dan jatuh tempo diperpanjang sampai 21 Juni 2017. Perubahan berikutnya terjadi pada tanggal 9 September 2016, yaitu perubahan fasilitas kredit menjadi Rp20.000.000. Perubahan terakhir di tahun 2016 pada tanggal 17 November 2016 yaitu perubahan fasilitas kredit menjadi Rp28.000.000. Jumlah pembayaran kembali pokok pinjaman untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing sebesar Rp21.000.000 dan Rp28.123.417.

date on June 21, 2012. This loan facility has been amended several times. On July 8, 2015, the credit facility was changed to Rp9,000,000 with annual interest based on average of the three months Rupiah time deposit of syndicated creditors +2.02% and maturity date was extended to June 21, 2016. Amendment during 2016 was first occurred on June 21, 2016 with changes on the amount of credit facility to become Rp15,000,000 with annual interest based on average of the three months Rupiah time deposit of syndicated creditors +2.45% and maturity date was extended until June 21, 2017. Further amendment was occurred on September 9, 2016 where the credit facility was amended to Rp20,000,000. The latest amendment was on November 17, 2016 where the credit facility was amended to Rp28,000,000. The principal repayment for the years ended December, 31 2016 and 2015 were amounted to Rp21,000,000 and Rp28,123,417, respectively.

Arus kas penarikan dan pembayaran kredit serta saldo pinjaman modal kerja 2011 BRI untuk tahun 2016 dan 2015 sebagai berikut:

Cash flows withdrawal and payment and net payables amount on of the BRI working capital loan 2011 for years 2016 and 2015 are as follows:

	2016 Rp	2015 Rp	
Penarikan	34,500,000	28,123,417	Withdrawal
Pembayaran	(21,000,000)	(28,123,417)	Payment
Bersih	13,500,000	--	Net

Pinjaman Perusahaan 2012

Pada tanggal 21 Desember 2012, Perusahaan memperoleh fasilitas kredit investasi sindikasi dikoordinasikan oleh BRI sebesar Rp8.500.000 dengan tingkat bunga per tahun sebesar rata-rata suku bunga deposito berjangka tiga bulanan +3,2% yang terutang setiap tiga bulan. Tanggal jatuh tempo pokok pinjaman adalah 23 November 2022. Pada tanggal 31 Desember 2016 dan 2015, jumlah terutang atas pinjaman ini masing-masing sebesar Rp7.285.714 dan Rp8.500.000. Jumlah pembayaran pokok pinjaman untuk tahun yang berakhir 31 Desember 2016 dan 2015 adalah masing-masing sebesar Rp1.214.286 dan nihil.

Corporate Loan 2012

On December 21, 2012, the Company obtained investment credit facility from BRI amounting to Rp8,500,000, with annual interest rate of average three months time deposit +3.2%, which is due every three months. The maturity date of the principal is on November 23, 2022. As of December 31, 2016 and 2015, the outstanding loan balance amounted to Rp7,285,714 and Rp8,500,000, respectively. The principal repayment for the years ended December 31, 2016 and 2015 amounted to Rp1,214,286 and nil, respectively.

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Pinjaman Perusahaan 2014

Pada tanggal 17 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi dari BRI sebesar Rp2.000.000 dengan tingkat bunga per tahun menggunakan rata-rata suku bunga deposito berjangka tiga bulanan BRI +2,75% dan jatuh tempo pokok pinjaman pada tanggal 17 Desember 2024. Pada tanggal 31 Desember 2016 dan 2015, jumlah terutang atas pinjaman ini masing-masing sebesar Rp2.000.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016 dan 2015.

Pinjaman Perusahaan 2015

Pada tanggal 17 Desember 2015, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh BRI sebesar Rp12.000.000 dengan tingkat suku bunga per tahun menggunakan suku bunga Bank Indonesia +2,3% pada tanggal tiga hari sebelum jangka waktu bunga. Tanggal jatuh tempo pokok pinjaman adalah 17 Desember 2025. Pada tanggal 31 Desember 2016 dan 2015, jumlah terhutang atas pinjaman ini adalah sebesar Rp12.000.000 dan Rp3.499.807. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016 dan 2015.

Bank Negara Indonesia (“BNI”)

Pinjaman Perusahaan 2014

Pada tanggal 18 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp6.500.000 yang dikoordinasikan oleh BNI, dengan tingkat suku bunga menggunakan rata-rata tertimbang suku bunga deposito berjangka tiga bulanan +3% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 18 Desember 2024. Pada tanggal 31 Desember 2016 dan 2015, jumlah terutang atas pinjaman ini adalah masing-masing sebesar Rp6.500.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016 dan 2015.

Pinjaman Perusahaan 2016

Pada tanggal 9 September 2016, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp12.000.000 yang dikoordinasikan oleh BNI, dengan tingkat suku bunga menggunakan rata-rata tertimbang suku bunga deposito berjangka tiga bulanan +2,6% per tahun. Fasilitas kredit tersebut akan

Corporate Loan 2014

On December 17, 2014, the Company obtained an investment credit facility from BRI amounting to Rp2,000,000, with annual interest rate based on BRI's average three months time deposit +2.75% and will mature on December 17, 2024. As of December 31, 2016 and 2015 the outstanding balance amounted to Rp2,000,000, respectively. There is no principal loan repayment during 2016 and 2015.

Corporate Loan 2015

On December 17, 2015, the Company obtained a syndicated investment credit facility coordinated by BRI amounting to Rp12,000,000, with the annual interest rate based on Bank Indonesia's rate +2.3% on three days before interest period. The maturity date of the principal is on December 17, 2025. As of December 31, 2016 and 2015 the outstanding balance amounted to Rp12,000,000 and Rp3,499,807, respectively. There is no principal loan repayment during 2016 and 2015.

Bank Negara Indonesia (“BNI”)

Corporate Loan 2014

On December 18, 2014, the Company obtained a syndicated investment credit facility amounting to Rp6,500,000 coordinated by BNI, with annual interest rate based on weighted average of three months time deposit +3% per annum. This credit facility will mature on December 18, 2024. As of December 31, 2016 and 2015, the outstanding balance amounted to Rp6,500,000, respectively. There is no principal loan repayment during 2016 and 2015.

Corporate Loan 2016

On September 9, 2016, the Company obtained a syndicated investment credit facility amounting to Rp12,000,000 coordinated by BNI, with annual interest rate based on weighted average of three months time deposit +2.6% per annum. This credit facility will mature on September 9, 2026. As

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berakhir pada tanggal 9 September 2026. Pada tanggal 31 Desember 2016, jumlah terutang atas pinjaman ini adalah sebesar Rp12.000.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016.

of December 31, 2016, the outstanding balance was amounting to Rp12,000,000. There is no principal loan repayment during 2016.

Bank Central Asia (“BCA”)

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh BCA sebesar Rp7.000.000, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan +2,4% yang jatuh tempo pada tanggal 23 Desember 2023. Pada tanggal 31 Desember 2016 dan 2015, jumlah terhutang atas pinjaman ini adalah masing-masing sebesar Rp7.000.000. Tidak ada pembayaran kembali pokok pinjaman selama tahun 2016 dan 2015.

Bank Central Asia (“BCA”)

On December 23, 2013, the Company obtained a syndicated investment credit facility coordinated by BCA amounting to Rp7,000,000, with annual interest rate based on three months JIBOR +2.4% and maturity date on December 23, 2023. As of December 31, 2016 and 2015, the outstanding balance of this facility amounted to Rp7,000,000, respectively. There is no principal loan repayment during 2016 and 2015.

Standard Chartered Bank (“SCB”)

Fasilitas Arun

Pada tanggal 11 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan Pembangkit Listrik Tenaga Mesin Gas (“PLTMG”) Arun sebesar EUR90.000.000 dengan tingkat suku bunga sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 30 September 2027. Pada tanggal 31 Desember 2016 dan 2015, jumlah terutang atas pinjaman ini masing-masing sebesar Rp1.100.071 dan Rp569.924. Jumlah pembayaran pokok pinjaman untuk tahun 2016 dan 2015 adalah masing-masing sebesar Rp107.830 dan nihil.

Standard Chartered Bank (“SCB”)

Arun Facility

On December 11, 2013, the Company obtained an export credit facility to finance the construction of Arun Solar and Steam Power Plant (“PLTMG”) amounting to EUR90,000,000 with interest rate of 2.1% per annum. This credit facility will mature on September 30, 2027. As of December 31, 2016 and 2015, the outstanding balance of this facility amounted to Rp1,100,071 and Rp569,924 respectively. The principal loan repayment in 2016 and 2015 amounted to Rp107,830 and nil, respectively.

Fasilitas Bangkanai

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan PLTMG Bangkanai sebesar EUR70.850.000 dengan tingkat suku bunga yang digunakan untuk pinjaman tersebut sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 30 September 2027. Jumlah terutang atas pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp919.727 dan Rp807.778. Jumlah pembayaran pokok pinjaman di tahun 2016 dan 2015 adalah masing-masing sebesar Rp87.292 dan nihil.

Bangkanai Facility

On December 23, 2013, the Company obtained an export credit facility to finance the construction of Bangkanai solar and steam Power Plant amounting to EUR70,850,000 with interest rate of 2.1% per annum. This credit facility will mature on September 30, 2027. As of December 31, 2016 and 2015, the outstanding balance of this facility amounted to Rp919,727 and Rp807,778, respectively. The principal loan repayment in 2016 and 2015 amounted to Rp87,292 and nil, respectively.

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Asian Development Bank (“ADB”)

Pada tanggal 4 Desember 2015, Perusahaan memperoleh fasilitas kredit dari ADB untuk penguatan gardu induk regional Sumatera sebesar US\$575.000.000 dan US\$25.000.000 dengan jatuh tempo pinjaman sampai dengan 15 September 2035 dan tingkat bunga masing-masing sebesar LIBOR + 0,6% - 0,1% dan LIBOR + 1,4% yang dibayar setiap semester.

Pada tanggal 31 Desember 2016 jumlah terutang atas pinjaman ini sebesar US\$210.000.000 (setara Rp2.821.560).

**Export Development Canada (“EDC”) dan
Hungarian Export Import Bank Private
Limited Company (“HEXIM”)**

Pada tanggal 2 Desember 2016, Perusahaan memperoleh pendanaan untuk *Batam mobile power plant* sebesar US\$435.888.247 dengan tingkat bunga 2,56% akan dibayar setiap semester dan jatuh tempo 2 Juni 2029. Pada tanggal 31 Desember 2016 jumlah terhutang atas pinjaman ini sebesar US\$395.513.638 (setara Rp5.314.121).

**Japan Bank for International Cooperation
 (“JBIC”)**

Pada tanggal 14 Maret 2016, Perusahaan memperoleh fasilitas kredit untuk membiayai pembangunan Pembangkit Listrik Tenaga Uap (“PLTU”) Lontar sebesar US\$107.595.235 dan US\$71.730.158 dengan tingkat suku bunga sebesar 2,85%+1,06% dan LIBOR 6 bulanan + 1.1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 1 Oktober 2031. Pada tanggal 31 Desember 2016 jumlah terutang atas pinjaman ini sebesar US\$4.750.638 (setara Rp63.828).

Beberapa perjanjian utang bank dengan ADB, SCB, dan EDC dan HEXIM mensyaratkan bahwa Perusahaan wajib memenuhi beberapa pembatasan tertentu, antara lain, jumlah minimal *self financing*, *debt service coverage ratio*, rasio jumlah pinjaman terhadap ekuitas serta *consolidated interest coverage ratio*.

Perusahaan melakukan pembayaran pokok dan bunga bank sesuai dengan jadwal pembayaran dan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian pinjaman bank.

Asian Development Bank (“ADB”)

On December 4, 2015, the Company obtained credit facilities from ADB for grid strengthening of Sumatera amounted to US\$575,000,000 and US\$25,000,000 with maturity date until September 15, 2035 and interest rate of LIBOR + 0.6% - 0.1% and LIBOR + 1.4%, respectively, payable semiannually.

As of December 31, 2016 the outstanding balance of this facility amounted to US\$210,000,000 (equivalent to Rp2,821,560).

**Export Development Canada (“EDC”) and
Hungarian Export Import Bank Private
Limited Company (“HEXIM”)**

On December 2, 2016, the Company obtained credit facility for Batam mobile power plant amounting to US\$435,888,247 with interest rate of 2.56% payable semiannually and maturity date on June 2, 2029. As of December 31, 2016 the outstanding balance of this facility amounted to US\$395,513,638 (equivalent to Rp5,314,121).

**Japan Bank for International Cooperation
 (“JBIC”)**

On March 14, 2016, the Company obtained a credit facility to finance the construction of Lontar Steam Power Plant (“PLTU”) amounting to US\$107,595,235 and US\$71,730,158 with interest rate of 2,85%+1,06% and 6 months LIBOR + 1.1% per annum. This credit facility will mature on October 1, 2031. As of December 31, 2016 the outstanding balance of this facility amounted to US\$4,750,638 (equivalent to Rp63,828).

Several loan agreements with ADB, SCB, and EDC and HEXIM governed that, the Company should comply to certain covenants, among others, the minimum amount of self financing, debt services coverage ratio, debt to equity ratio, and consolidated interest coverage ratio.

The Company made payments of principle and interest of the bank loans in accordance with the schedule of payment and complied with the restrictions specified within the agreements of the bank loans.

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27. Utang Obligasi dan Sukuk Ijarah

27. Bonds Payable and Sukuk Ijara

	2016 Rp	2015 Rp	
Obligasi dan Sukuk Ijarah - Rupiah			<i>Bonds and Sukuk Ijara- Rupiah</i>
Obligasi Berkelanjutan			<i>Sustainable Bonds I</i>
I PLN Tahap II Tahun 2013	1,244,000	1,244,000	<i> PLN II Year 2013</i>
Sukuk Ijarah Berkelanjutan			<i>Sustainable Sukuk Ijara I</i>
I PLN Tahap II Tahun 2013	429,000	429,000	<i> PLN II Year 2013</i>
Obligasi Berkelanjutan			<i>Sustainable Bonds I</i>
I PLN Tahap I Tahun 2013	879,000	879,000	<i> PLN I Year 2013</i>
Sukuk Ijarah Berkelanjutan			<i>Sustainable Sukuk Ijara I</i>
I PLN Tahap I Tahun 2013	121,000	121,000	<i> PLN I Year 2013</i>
Obligasi PLN XII Tahun 2010	1,855,000	1,855,000	<i>PLN XII Bonds Year 2010</i>
Sukuk Ijarah PLN V Tahun 2010	340,000	340,000	<i>Sukuk Ijara PLN V Year 2010</i>
Obligasi PLN XI Tahun 2010	2,703,000	2,703,000	<i>PLN XI Bonds Year 2010</i>
Sukuk Ijarah PLN IV Tahun 2010	297,000	297,000	<i>Sukuk Ijara PLN IV Year 2010</i>
Obligasi PLN IX Tahun 2007	2,700,000	2,700,000	<i>PLN IX Bonds Year 2007</i>
Sukuk Ijarah PLN II Tahun 2007	300,000	300,000	<i>Sukuk Ijara PLN II Year 2007</i>
Obligasi PLN VIII Tahun 2006	865,000	2,200,100	<i>PLN VIII Bonds Year 2006</i>
Obligasi Syariah Ijarah			<i>Sharia Ijara</i>
PLN I Tahun 2006	--	200,000	<i> PLN I Bonds Year 2006</i>
Surat Utang Jangka Menengah Global - US\$			<i>Global Medium Term Notes - US\$</i>
Penerbitan tahun 2012	13,436,000	13,795,000	<i> Issued in 2012</i>
Penerbitan tahun 2011	13,436,000	13,795,000	<i> Issued in 2011</i>
Obligasi Terjamin - US\$			<i>Guaranteed Notes - US\$</i>
Penerbitan tahun 2009	26,872,000	27,590,000	<i> Issued in 2009</i>
Penerbitan tahun 2007	13,436,000	13,795,000	<i> Issued in 2007</i>
Penerbitan tahun 2006	--	7,587,250	<i> Issued in 2006</i>
Sub jumlah	78,913,000	89,830,350	<i>Subtotal</i>
Biaya emisi belum diamortisasi	(520,317)	(664,662)	<i>Unamortized debt issuance cost</i>
Jumlah	78,392,683	89,165,688	Total
Disajikan di laporan posisi keuangan konsolidasian sebagai:			<i>Presented in consolidated statements of financial position:</i>
Liabilitas jangka pendek	9,568,000	9,122,350	<i> Current liabilities</i>
Liabilitas jangka panjang	68,824,683	80,043,338	<i> Non-current liabilities</i>
Jumlah	78,392,683	89,165,688	Total

Obligasi dan Sukuk Ijarah Rupiah

Obligasi ini diterbitkan sebesar harga nominal dalam mata uang Rupiah. Rincian obligasi dan sukuk ijarah Rupiah pada tanggal 31 Desember 2016 adalah sebagai berikut:

Rupiah Bonds and Sukuk Ijara

The bonds were issued at nominal value and are denominated in Rupiah. Details of Rupiah bonds and sukuk ijara as of December 31, 2016 are as follows:

	Pokok/ Principal Rp	Tanggal jatuh tempo/ Maturity date	Tingkat kupon/ Coupon rate %	
Obligasi Berkelanjutan I				<i>Sustainable Bonds I</i>
PLN Tahap II Tahun 2013				<i> PLN II Year 2013</i>
Seri A	593,000	10 Desember 2018/December 10, 2018	9,00%	<i> Series A</i>
Seri B	651,000	10 Desember 2023/December 10, 2023	9,60%	<i> Series B</i>
Sukuk Ijarah Berkelanjutan I				<i>Sustainable Sukuk Ijara I</i>
PLN Tahap II Tahun 2013				<i> PLN II Year 2013</i>
Seri A	321,000	10 Desember 2018/December 10, 2018	--	<i> Series A</i>
Seri B	108,000	10 Desember 2023/December 10, 2023	--	<i> Series B</i>

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	Pokok/ Principal Rp	Tanggal jatuh tempo/ Maturity date	Tingkat kupon/ Coupon rate %	
Obligasi Berkelanjutan I				<i>Sustainable Bonds I</i>
PLN Tahap I Tahun 2013				<i>PLN I Year 2013</i>
Seri A	182,000	5 Juli 2020/ <i>July 5, 2020</i>	8,00%	<i>Series A</i>
Seri B	697,000	5 Juli 2023/ <i>July 5, 2023</i>	8,25%	<i>Series B</i>
Sukuk Ijarah Berkelanjutan I				<i>Sustainable Sukuk Ijara I</i>
PLN Tahap I Tahun 2013	121,000	5 Juli 2020/ <i>July 5, 2020</i>	--	<i>PLN I Year 2013</i>
Obligasi PLN XII Tahun 2010				<i>PLN XII Bonds Year 2010</i>
Seri B	1,855,000	8 Juli 2022/ <i>July 8, 2022</i>	10,40%	<i>Series B</i>
Sukuk Ijarah PLN V Tahun 2010				<i>Sukuk Ijara PLN V Year 2010</i>
Seri B	340,000	8 Juli 2022/ <i>July 8, 2022</i>	--	<i>Series B</i>
Obligasi PLN XI Tahun 2010				<i>PLN XI Bonds Year 2010</i>
Seri A	920,000	12 Januari 2017/ <i>January 12, 2017</i>	11,95%	<i>Series A</i>
Seri B	1,783,000	12 Januari 2020/ <i>January 12, 2020</i>	12,55%	<i>Series B</i>
Sukuk Ijarah PLN IV Tahun 2010				<i>Sukuk Ijara PLN IV Year 2010</i>
Seri A	130,000	12 Januari 2017/ <i>January 12, 2017</i>	--	<i>Series A</i>
Seri B	167,000	12 Januari 2020/ <i>January 12, 2020</i>	--	<i>Series B</i>
Obligasi PLN IX Tahun 2007				<i>PLN IX Bonds Year 2007</i>
Seri A	1,500,000	10 Juli 2017/ <i>July 10, 2017</i>	10,40%	<i>Series A</i>
Seri B	1,200,000	10 Juli 2022/ <i>July 10, 2022</i>	10,90%	<i>Series B</i>
Sukuk Ijarah PLN II Tahun 2007	300,000	10 Juli 2017/ <i>July 10, 2017</i>	--	<i>Sukuk Ijara PLN II Year 2007</i>
Obligasi PLN VIII Tahun 2006				<i>PLN VIII Bonds Year 2006</i>
Seri B	865,000	21 Juni 2021/ <i>June 21, 2021</i>	13,75%	<i>Series B</i>
Jumlah/Total	11,733,000			

Obligasi Berkelanjutan I PLN Tahap II Tahun 2013

Pada tanggal 10 Desember 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN tahap II tahun 2013 dengan jumlah nilai nominal sebesar Rp1.244.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo obligasi.

Sustainable Bonds I PLN II Year 2013

On December 10, 2013, the Company issued Sustainable Bonds I PLN II Year 2013 with a total nominal value amounting to Rp1,244,000 consisting of Series A and Series B bonds, with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the bonds.

Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN tahap II tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN tahap II Tahun 2013 dengan nilai nominal sebesar Rp429.000, terdiri dari Seri A dan Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp28.890 per tahun untuk Obligasi Seri A dan Rp10.368 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo Sukuk Ijarah.

Sustainable Sukuk Ijara I PLN II Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN II Year 2013, the Company also issued Sustainable Sukuk Ijara I PLN II Year 2013, with a nominal value amounting to Rp429,000 consisting of Series A and Series B with PT Bank Permata Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp28,890 for Series A Bonds and Rp10,368 for Series B Bonds is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the Sukuk Ijara.

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Obligasi Berkelanjutan I PLN Tahap I Tahun 2013

Pada tanggal 5 Juli 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN tahap I tahun 2013 dengan jumlah nilai nominal sebesar Rp879.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN tahap I tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN tahap I Tahun 2013 dengan nilai nominal sebesar Rp121.000 dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp9.680 per tahun dan dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo Sukuk Ijarah.

Obligasi PLN XII tahun 2010

Pada tanggal 8 Juli 2010, Perusahaan menerbitkan Obligasi PLN XII Tahun 2010 dengan jumlah nilai nominal sebesar Rp2.500.000, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A senilai Rp645.000 telah dibayar lunas di tahun 2015.

Sukuk Ijarah PLN V Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XII Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN V Tahun 2010 dengan nilai nominal sebesar Rp500.000, terdiri dari Seri A dan Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp15.520 per tahun untuk Seri A dan Rp35.360 per tahun untuk Seri B dan dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo sukuk ijarah. Seri A senilai Rp160.000 telah dibayar lunas di tahun 2015.

Sustainable Bonds I PLN I Year 2013

On July 5, 2013, the Company issued Sustainable Bonds I PLN I Year 2013 with a total nominal value amounting to Rp879,000 consisting of Series A and Series B bonds with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the bonds.

Sustainable Sukuk Ijarah I PLN I Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN I Year 2013, the Company also issued Sustainable Sukuk Ijarah I PLN I Year 2013 with a nominal value amounting to Rp121,000 with PT Bank Permata Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp9,680 is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the Sukuk Ijarah.

PLN XII Bonds Year 2010

On July 8, 2010, the Company issued PLN XII Bonds Year 2010 with a total nominal value amounting to Rp2,500,000 consisting of Series A and Series B bonds with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the bonds. Series A bonds amounting to Rp645,000 has been fully repaid in 2015.

Sukuk Ijarah PLN V Year 2010

Concurrent with the issuance of PLN XII Bonds Year 2010, the Company also issued Sukuk Ijarah PLN V Year 2010 with a nominal value amounting to Rp500,000, consisting of Series A and Series B with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp15,520 for Series A and Rp35,360 for Series B payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the sukuk ijarah. Series A bonds amounting to Rp160,000 has been fully repaid in 2015.

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Obligasi PLN XI Tahun 2010

Pada tanggal 12 Januari 2010, Perusahaan menerbitkan Obligasi PLN XI Tahun 2010 dengan jumlah nilai nominal sebesar Rp2.703.000, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah PLN IV Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XI Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN IV Tahun 2010 dengan nilai nominal sebesar Rp297.000, terdiri dari Seri A dan Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp15.535 per tahun untuk Seri A dan Rp20.958 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh tempo sukuk ijarah.

Obligasi PLN IX Tahun 2007

Pada tanggal 10 Juli 2007, Perusahaan menerbitkan Obligasi PLN IX Tahun 2007 dengan jumlah nilai nominal Rp2.700.000, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Oktober 2007 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah PLN II Tahun 2007

Bersamaan dengan penerbitan Obligasi PLN IX Tahun 2007, Perusahaan juga menerbitkan Sukuk Ijarah PLN II Tahun 2007 dengan nilai nominal Rp300.000 dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp31.200 per tahun dan dibayarkan setiap tiga bulan sejak 10 Oktober 2007 sampai dengan tanggal jatuh tempo sukuk ijarah.

Obligasi PLN VIII Tahun 2006

Pada tanggal 21 Juni 2006, Perusahaan menerbitkan Obligasi PLN VIII Tahun 2006 dengan jumlah nilai nominal Rp2.200.100, dengan PT Bank Mega Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 21 September 2006 sampai dengan tanggal jatuh tempo obligasi. Obligasi seri A senilai Rp1.335.100 telah dibayar keseluruhannya di tahun 2016.

PLN XI Bonds Year 2010

On January 12, 2010, the Company issued PLN XI Bonds Year 2010 with a total nominal value amounting to Rp2,703,000, consisting of Series A and Series B bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the bonds.

Sukuk Ijarah PLN IV Year 2010

Concurrent with the issuance of PLN XI Bonds Year 2010, the Company also issued Sukuk Ijarah PLN IV Year 2010 with a nominal value amounting to Rp297,000 consisting of Series A and Series B with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp15,535 for Series A and Rp20,958 for Series B payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the sukuk ijarah.

PLN IX Bonds Year 2007

On July 10, 2007, the Company issued PLN IX Bonds Year 2007 with a total nominal value amounting to Rp2,700,000 consisting of Series A and Series B bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 10, 2007 until the maturity date of the bonds.

Sukuk Ijarah PLN II Year 2007

Concurrent with the issuance of PLN IX Bonds Year 2007, the Company also issued Sukuk Ijarah PLN II Year 2007 with a nominal value amounting to Rp300,000 with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp31,200 is payable on a quarterly basis, starting from October 10, 2007 until the maturity date of the sukuk ijarah.

PLN VIII Bonds Year 2006

On June 21, 2006, the Company issued PLN VIII Bonds Year 2006 with a total nominal value amounting to Rp2,200,100 with PT Bank Mega Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from September 21, 2006 until the maturity date of the bonds. Series A bonds amounting to Rp1,335,100 has been fully repaid in 2016.

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Sejak tanggal 18 Maret 2008, Wali Amanat berganti menjadi PT Bank Tabungan Negara (Persero) sesuai dengan Berita Acara Rapat Umum Pemegang Obligasi PLN VIII Tahun 2006 yang tertuang dalam Akta No. 34 dari Ny. Poerbaningsih Adi Warsito, S.H., notaris di Jakarta.

On March 18, 2008, the acting Trustee was changed to PT Bank Tabungan Negara (Persero) in accordance with the Minutes of Meeting of the Bond holders of PLN VIII Bonds Year 2006, as documented in notarial deed No. 34 of Mrs. Poerbaningsih Adi Warsito, S.H., notary in Jakarta.

Sehubungan dengan penerbitan seluruh obligasi dan sukuk ijarah Rupiah di atas, masing-masing perjanjian perwaliamanatan menetapkan antara lain bahwa:

In relation to the issuance of all Rupiah bonds and sukuk ijarah bonds above, each trustee agreement stipulates, among others that:

- Satu tahun sejak tanggal emisi, Perusahaan dapat membeli kembali sebagian atau seluruh obligasi ini sebelum tanggal pelunasan pokok obligasi.
- Seluruh obligasi ini tidak dijamin secara khusus, namun dijamin dengan seluruh aset Perusahaan, serta hak pemegang obligasi adalah pari passu tanpa hak khusus dengan hak-hak kreditur lain.
- Perusahaan tanpa persetujuan tertulis dari Wali Amanat tidak akan melakukan antara lain (a) menjaminkan harta kekayaan Perusahaan; (b) memberikan penjaminan; (c) memberikan pinjaman kepada pihak lain; (d) mengadakan penggabungan, konsolidasi dan akuisisi yang menyebabkan Perusahaan bubar; (e) mengalihkan aset tetap; memberikan izin kepada entitas anak untuk memberikan pinjaman kepada pihak lain atau melakukan investasi; (f) menerbitkan obligasi dengan kedudukan lebih tinggi; dan (g) mengubah bidang usaha; mengurangi modal dasar; modal ditempatkan dan disetor.

- *After one year from the issuance date, the Company is allowed to buy-back either a portion or the entire bonds before the maturity date.*
- *The bonds are not secured by specific collateral but secured by all of the Company's assets and the bondholders' rights are pari passu without preference to the other creditors.*
- *The Company is restricted by certain covenants, which require written approval from the Trustee to: (a) use the Company's assets as collateral; (b) act as a guarantor; (c) grant a loan to another party; (d) perform any merger, consolidation or acquisition that would cause the Company to be dissolved; (e) transfer the Company's property, plant and equipment, or allow subsidiaries to grant a loan to another party or to make an investment; (f) issue higher ranking bonds; and (g) change the business activities and decrease the Company's authorized, subscribed and paid-up capital.*

Selain itu Perusahaan juga diwajibkan memenuhi: (a) rasio jumlah liabilitas keuangan terhadap jumlah aset tidak lebih dari 80%; (b) kecuali untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010, rasio antara laba sebelum beban bunga, pajak dan penyusutan dan amortisasi (EBITDA) dengan beban bunga minimum 2 : 1, untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010 minimum rasio adalah 1,5 : 1; (c) rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas

The Company is also required to maintain the following: (a) a ratio of total financial liabilities to total assets not exceeding 80%; (b) except for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the ratio of earnings before interest, tax, depreciation and amortization (EBITDA) to interest expense at a minimum of 2 : 1, for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the minimum ratio is 1.5 : 1 ; (c) a ratio of power plant, transmission and distribution facilities to interest-bearing liabilities which are not

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berbunga yang tidak dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank) minimum 150% untuk Obligasi PLN VIII tahun 2006 dan rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas berbunga yang tidak dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman, pinjaman langsung, obligasi internasional dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non-bank) minimum 125% untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010, dan Obligasi PLN IX Tahun 2007 dan Sukuk Ijarah PLN II Tahun 2007.

- Untuk Sukuk Ijarah PLN II Tahun 2007 dan Obligasi Syariah Ijarah PLN I tahun 2006, Perusahaan setuju untuk mengalihkan manfaat mesin pembangkit listrik tenaga diesel dan perangkat trafo tertentu kepada pemegang obligasi dan pemegang obligasi memberikan kuasa kepada Perusahaan untuk membuat dan melaksanakan perjanjian dengan pihak ketiga sebagai pengguna trafo tersebut untuk kepentingan pemegang obligasi. Perusahaan juga menerima kuasa dari Wali Amanat untuk membuat dan melaksanakan perjanjian dengan pihak ketiga sebagai pengguna trafo tersebut untuk melaksanakan penagihan piutang terkait.
- Perusahaan tidak disyaratkan untuk membentuk penyisihan dana pelunasan obligasi.

Obligasi Syariah Ijarah PLN I Tahun 2006

Bersamaan dengan penerbitan Obligasi PLN VIII Tahun 2006, Perusahaan juga menerbitkan Obligasi Syariah Ijarah PLN I Tahun 2006 dengan nilai nominal Rp200.000, dengan PT Bank Mega Tbk bertindak sebagai Wali Amanat yang kemudian berganti menjadi PT Bank Tabungan Negara (Persero) sesuai dengan Berita Acara Rapat Umum Pemegang Obligasi Syariah Ijarah PLN I Tahun 2006. Jumlah imbalan ijarah sebesar Rp6.800 per tiga bulan sejak 21 September 2006 sampai dengan tanggal jatuh tempo obligasi.

secured by specific collaterals (excluding two-step loans and Government and non-bank Government Financial Institution Loans) at a minimum of 150% for PLN VIII Bonds Year 2006 and a ratio of power plant, transmission and distribution facilities to interest bearing liabilities which are not secured by specific collaterals (excluding two-step loans, direct loans, global bonds and Government and non-bank Government Financial Institution Loans) at a minimum of 125% for the PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah PLN IV Year 2010 and PLN IX Bonds Year 2007 and Sukuk Ijarah PLN II Year 2007.

- *Related to Sukuk Ijarah PLN II Year 2007 and Sharia Ijarah PLN I Bonds Year 2006, the Company has agreed to transfer benefits obtained from certain diesel power plants and transformers of the Company to the bondholders and the bondholders have agreed to provide the Company with a power of attorney to enter into agreements with transformer users for the benefits of the bondholders. The Company also received a power of attorney from the Trustee to enter into agreements with the transformer users to collect the related receivables.*
- *The Company was not required to provide sinking fund for such bonds.*

Sharia Ijarah PLN I Bonds Year 2006

Concurrent with the issuance of PLN VIII Bonds Year 2006, the Company also issued Sharia Ijarah PLN I Bonds Year 2006 with a nominal value of Rp200,000, with PT Bank Mega Tbk acting as the Trustee which was then changed to PT Bank Tabungan Negara (Persero) in accordance with the Minutes of Meeting of the Bondholders of Sharia Ijarah PLN I Bonds Year 2006. The ijarah fee amounting to Rp6,800 is payable on a quarterly basis, starting from September 21, 2006 until the maturity date of the bonds.

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Pada bulan Juni 2016, Perusahaan telah melunasi Obligasi PLN VIII seri A dan Ijarah I tahun 2006 sebesar Rp1.535.100.

In June 2016, the Company has fully paid Bond PLN VIII series A dan Ijara I year 2006 amounted to Rp1,535,100.

Dana yang diperoleh dari penerbitan Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013, Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013, Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah PLN V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010 digunakan untuk mendanai proyek transmisi dan distribusi. Dana yang diperoleh dari penerbitan Obligasi PLN VII tahun 2004 digunakan untuk membiayai kembali proyek Pembangkit Listrik Tenaga Gas dan Uap ("PLTGU") Muara Tawar. Dana yang diperoleh dari penerbitan obligasi lainnya digunakan untuk kebutuhan modal kerja antara lain untuk pengadaan bahan bakar.

The proceeds from the issuance of Sustainable Bonds I PLN II Year 2013 and Sustainable Sukuk Ijara I PLN II Year 2013, Sustainable Bonds I PLN I Year 2013 and Sustainable Sukuk Ijara I PLN I Year 2013, PLN XII Bonds Year 2010 and Sukuk Ijara V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijara IV Year 2010 were used to finance the transmission and distribution construction projects. The proceeds from the issuance of PLN VII Bonds Year 2004 were used to refinance the Gas and Steam Powered Power Plant ("PLTGU") Muara Tawar Project. The proceeds from the other bonds issued were used for working capital requirements which, among others, included the purchase of fuel.

Perusahaan telah memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat masing-masing obligasi dan sukuk ijarah.

The Company has complied with the restrictions specified within the agreements with the acting Trustee of the corresponding bonds and sukuk ijarah.

	31 Desember/ December 31, 2016	
	Peringkat/ Rating	Lembaga pemeringkat/ Rating agency
Obligasi/ Bonds		
PLN VIII Tahun/ Year 2006	idAAA	PT Pemeringkat Efek Indonesia
PLN IX Tahun/ Year 2007	idAAA	PT Pemeringkat Efek Indonesia
PLN XI Tahun/ Year 2010	idAAA	PT Pemeringkat Efek Indonesia
PLN XII Tahun/ Year 2010	idAAA	PT Pemeringkat Efek Indonesia
Berkelanjutan I PLN Tahap I Tahun 2013/ Sustainable Bonds PLN I Year 2013	idAAA	PT Pemeringkat Efek Indonesia
Berkelanjutan I PLN Tahap II Tahun 2013/ Sustainable Bonds PLN II Year 2013	idAAA	PT Pemeringkat Efek Indonesia
Sukuk Ijarah/ Sukuk Ijara		
PLN II Tahun/ Year 2007	idAAA(sy)	PT Pemeringkat Efek Indonesia
PLN IV Tahun/ Year 2010	idAAA(sy)	PT Pemeringkat Efek Indonesia
PLN V Tahun/ Year 2010	idAAA(sy)	PT Pemeringkat Efek Indonesia
Berkelanjutan I PLN Tahap I Tahun 2013/ Sustainable Sukuk Ijara PLN I Year 2013	idAAA(sy)	PT Pemeringkat Efek Indonesia
Berkelanjutan I PLN Tahap II Tahun 2013/ Sustainable Sukuk Ijara PLN II Year 2013	idAAA(sy)	PT Pemeringkat Efek Indonesia

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**Surat Utang Jangka Menengah Global
dan Obligasi Terjamin – US\$**

Rincian Surat Utang Jangka Menengah
Global dan Obligasi Terjamin pada tanggal
31 Desember 2016 adalah sebagai berikut:

**Global Medium Term Notes and
Guaranteed Notes – US\$**

The details of Global Medium Term Notes and
Guaranteed Notes as of December 31, 2016
are as follows:

	Pokok/ Principal US\$	Harga penerbitan/ Issuing price	Tanggal jatuh tempo/ Maturity date	Tingkat bunga/ Interest rate %	
<u>Surat Utang</u>					<u>Global Medium Term Notes</u>
<u>Jangka Menengah Global</u>					
Penerbitan tahun 2012					Issued in 2012
Jatuh tempo 2042	1,000,000,000	98.51%	24 Oktober 2042/ October 24, 2042	5.25%	Due in 2042
Penerbitan tahun 2011					Issued in 2011
Jatuh tempo 2021	1,000,000,000	99.05%	22 November 2021/ November 22, 2021	5.50%	Due in 2021
<u>Obligasi Terjamin</u>					<u>Guaranteed Notes</u>
Penerbitan tahun 2009					Issued in 2009
Jatuh tempo 2020	1,250,000,000	99.15%	20 Januari 2020/ January 20, 2020	7.75%	Due in 2020
Jatuh tempo 2019	750,000,000	99.15%	7 Agustus 2019/ August 7, 2019	8.00%	Due in 2019
Sub-jumlah	2,000,000,000				Sub total
Penerbitan tahun 2007					Issued in 2007
Jatuh tempo 2017	500,000,000	99.13%	28 Juni 2017/ June 28, 2017	7.25%	Due in 2017
Jatuh tempo 2037	500,000,000	98.59%	29 Juni 2037/ June 29, 2037	7.87%	Due in 2037
Sub-jumlah	1,000,000,000				Sub total
Jumlah	5,000,000,000				Total

Surat Utang Jangka Menengah Global

Pada tanggal 24 Oktober 2012, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$1.000.000.000 dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 24 Mei 2013 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

Global Medium Term Notes

On October 24, 2012, the Company issued Global Medium Term Notes amounting to US\$1,000,000,000, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from May 24, 2013 until the maturity date of the Global Medium Term Notes.

Pada tanggal 22 November 2011, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$1.000.000.000 dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 22 Mei 2012 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

On November 22, 2011, the Company issued Global Medium Term Notes amounting to US\$1,000,000,000, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from May 22, 2012 until the maturity date of the Global Medium Term Notes.

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Obligasi Terjamin

Penerbitan tahun 2009

Pada tanggal 6 November 2009, Majapahit Holding B.V. ("MH"), Belanda, entitas anak, menerbitkan Obligasi Terjamin sejumlah US\$1.250.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 20 Januari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Pada tanggal 7 Agustus 2009, MH menerbitkan Obligasi Terjamin sejumlah US\$750.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 8 Februari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Penerbitan tahun 2007

Pada tanggal 28 Juni 2007, MH menerbitkan Obligasi Terjamin sejumlah US\$1.000.000.000 dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 28 Desember 2007 sampai dengan jatuh tempo Obligasi Terjamin.

Penerbitan tahun 2006

Pada tanggal 16 Oktober 2006, MH menerbitkan Obligasi Terjamin sejumlah US\$1.000 juta dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 17 April 2007 sampai dengan tanggal jatuh tempo Obligasi Terjamin.

Pada tanggal 17 Oktober 2011, MH melunasi Obligasi Terjamin yang telah jatuh tempo dengan harga nominal sebesar US\$450 juta.

Pada bulan Oktober 2016, Perusahaan telah melunasi obligasi terjamin tahun 2006 sebesar US\$550.000.000 (ekuivalen sebesar Rp7.174.510).

Guaranteed Notes

Issued in 2009

On November 6, 2009, Majapahit Holding B.V. ("MH"), Netherlands, a wholly-owned special-purpose subsidiary, issued Guaranteed Notes amounting to US\$1,250,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from January 20, 2010 until the maturity date of the Guaranteed Notes.

On August 7, 2009, MH issued Guaranteed Notes amounting to US\$750,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from February 8, 2010 until the maturity date of the Guaranteed Notes.

Issued in 2007

On June 28, 2007, MH issued Guaranteed Notes amounting to US\$1,000,000,000, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from December 28, 2007 until the maturity date of the Guaranteed Notes.

Issued in 2006

On October 16, 2006, MH issued Guaranteed Notes amounting to a total of US\$1,000 million with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually from April 17, 2007 until the maturity date of the Guaranteed Notes.

On October 17, 2011, MH fully paid the Guaranteed Notes which had matured at a nominal price of US\$450 million.

In October 2016, the Company fully paid guaranteed notes issued in 2006 amounting to US\$550,000,000 (equivalent of Rp7,174,510).

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Perjanjian perwalianan menetapkan bahwa:

- Tidak lebih dari 30 hari sejak dua kejadian dimana Pemerintah Indonesia kehilangan kepemilikan lebih dari 50%, baik langsung maupun tidak langsung, hak suara pada Perusahaan atau, jika dan ketika diterbitkan saham Dwiwarna Seri A dan kejadian yang menurunkan peringkat (*Change of Control Triggering Event*), MH dapat diminta untuk melakukan penawaran untuk membeli kembali Obligasi Terjamin dengan harga 101% dari nilai nominal ditambah bunga terutang sampai tanggal pembelian kembali. MH mempunyai opsi dalam waktu tertentu untuk menebus kembali seluruh Obligasi Terjamin ini dengan harga 100% dari nilai nominal, bersama dengan utang bunga dalam hal terjadinya perubahan tertentu terhadap perpajakan di Belanda atau Indonesia.
- Pembatasan tertentu termasuk antara lain: penambahan pinjaman sesuai dengan "Rasio Pengecualian", yang setelah memperhitungkan pengaruhnya terhadap pinjaman diperkenankan minimum 2 : 1; pemberian jaminan; pembayaran dividen; penggabungan usaha, akuisisi dan penjualan aset.

Perusahaan dan entitas anak memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat.

Dana yang diperoleh dari penerbitan surat utang jangka menengah global dan obligasi Terjamin ini digunakan untuk mendanai kebutuhan investasi program percepatan pembangunan fasilitas tenaga listrik, konstruksi rutin dan untuk tujuan umum korporasi.

The Indenture stipulates that:

- *No later than 30 days following the occurrence of two separate events in which the Government of the Republic of Indonesia ceases to own, directly or indirectly, more than 50% of the voting securities of the Company or, if and when issued, the Class A Dwiwarna Share and an event in which a rating declines (Change of Control Triggering Event), MH may be required to make an offer to repurchase all Guaranteed Notes outstanding at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase. The Guaranteed Notes are subject to redemption in whole, at 100% of their principal amount, together with any accrued interest, at the option of MH at a certain time in the event of certain changes affecting the taxes of the Netherlands or Indonesia.*
- *Certain covenants, including, among others, the incurrence of additional indebtedness along with the "Ratio Exception", that after giving effect to the permitted indebtedness is at least 2 : 1; the incurrence of liens; the payment of dividends; mergers, acquisitions and disposals.*

The Company and its subsidiaries complied with the restrictions specified within the agreements with the acting Trustee.

The proceeds from the global medium term notes and guaranteed notes issued were used to fund the capital expenditure requirements in connection with the fast track program, regular construction and for general corporate purposes.

	Lembaga pemeringkat/ Rating agency		
	Moody's Investor Service, Inc.,	Standard and Poor's	Fitch
Surat Utang Jangka Menengah Global/ Global Medium Term Notes			
Penerbitan tahun 2012/ <i>Issued in 2012</i>	Baa3	BB	BBB-
Penerbitan tahun 2011/ <i>Issued in 2011</i>	Baa3	BB	BBB-
Obligasi Terjamin/ Guaranteed Notes			
Penerbitan tahun 2009/ <i>Issued in 2009</i>	Baa3	BB	BBB-
Penerbitan tahun 2007/ <i>Issued in 2007</i>	Baa3	BB	BBB-

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28. Utang Listrik Swasta

Akun ini merupakan utang listrik swasta yang direstrukturisasi melalui renegotiasi dengan IPP.

Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016, utang listrik swasta kepada PT Jawa Power dari transaksi yang sebelumnya ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan sebagai utang sewa pembiayaan, dicatat sebagai utang listrik swasta (Catatan 2.a).

Rincian berdasarkan pemasok dan jadwal pembayaran pokok adalah sebagai berikut:

a. Berdasarkan pemasok

	2016 Rp	2015 Rp
PT Paiton Energy (2016: US\$ 514.079.190; 2015: US\$ 536.750.707)	6,907,168	7,404,476
PT Jawa Power (2016: US\$ 54.847.946; 2015: nihil)	736,937	--
Jumlah	7,644,105	7,404,476
Dikurangi bagian yang jatuh tempo dalam satu tahun	328,683	311,196
Bagian jangka panjang	7,315,422	7,093,280

b. Berdasarkan jadwal pembayaran pokok, pada nilai nominal

	2016 Rp	2015 Rp
Dibayarkan:		
Dalam satu tahun	328,683	311,196
Pada tahun kedua	347,075	328,079
Pada tahun ketiga	365,941	344,219
Pada tahun keempat	386,096	361,153
Setelah lima tahun	6,216,310	6,059,829
Jumlah	7,644,105	7,404,476

Utang kepada PT Paiton Energy dan PT Jawa Power dikenakan bunga per tahun masing-masing sebesar 4,81% dan 18,45% dibayar dalam 360 kali angsuran bulanan sejak 1 Januari 2002 sampai dengan 1 Desember 2031.

28. Electricity Purchase Payable

This account represents electricity purchase payable, which was restructured through renegotiation with IPP.

As the result of the prospective implementation of POJK No.6 since January 1, 2016, electricity purchase payable to PT Jawa Power arising from transactions which were previously determined as containing a lease in accordance with ISFAS 8 and have been classified as lease liabilities, are recorded as electricity purchase payable (Note 2.a).

Details according to creditors and payment schedules are as follows:

a. By creditor

PT Paiton Energy (2016: US\$ 514,079,190 2015: US\$ 536,750,707)	7,404,476
PT Jawa Power (2016: US\$ 54,847,946; 2015: nil)	--
Total	7,404,476
<i>Less current maturities portion</i>	<i>311,196</i>
Long-term portion	7,093,280

b. By installment schedule, at nominal amount

<i>Payable:</i>	
<i>Within one year</i>	<i>311,196</i>
<i>In the second year</i>	<i>328,079</i>
<i>In the third year</i>	<i>344,219</i>
<i>In the fourth year</i>	<i>361,153</i>
<i>After five years</i>	<i>6,059,829</i>
Total	7,404,476

Payables to PT Paiton Energy and PT Jawa Power bear annual interest of 4.81% and 18.45%, respectively, and are payable in 360 monthly installments from January 1, 2002 until December 1, 2031.

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29. Utang Pihak Berelasi

29. Payable to Related Parties

	2016 Rp	2015 Rp	
PT Dalle Energy Batam ("DEB")	2,301	370	PT Dalle Energy Batam ("DEB")
PT Mitra Energi Batam ("MEB")	--	2,196	PT Mitra Energi Batam ("MEB")
Jumlah	2,301	2,566	Total

Utang kepada DEB dan MEB merupakan utang oleh PLN Batam, entitas anak, masing-masing untuk pembelian *switchyard* dan utang atas setoran saham yang belum dibayarkan penuh oleh PLN Batam.

Payable to DEB and MEB are payable by PLN Batam, a subsidiary, for purchases of switchyard and historical subscription of shares that have not been fully paid by PLN Batam.

30. Utang Usaha

30. Trade Payables

Akun ini merupakan liabilitas sehubungan dengan pembelian tenaga listrik, bahan bakar, barang dan jasa.

This account represents payables arising from purchases of electricity, fuel, goods and services.

Rincian utang usaha adalah sebagai berikut:

Details of trade payables are as follows:

	2016 Rp	2015 Rp	
Pihak berelasi			Related parties
Pembelian bahan bakar, barang dan jasa	6,984,764	8,075,208	<i>Purchases of fuel, goods and services</i>
Pembelian tenaga listrik	787,929	835,230	<i>Purchases of electricity</i>
Sub jumlah	7,772,693	8,910,438	<i>Sub total</i>
Pihak ketiga			Third parties
Pembelian bahan bakar, barang dan jasa	17,119,615	16,197,581	<i>Purchases of fuel, goods and services</i>
Pembelian tenaga listrik	5,299,776	1,517,982	<i>Purchases of electricity</i>
Sub jumlah	22,419,391	17,715,563	<i>Sub total</i>
Jumlah	30,192,084	26,626,001	Total

Rincian utang usaha dalam mata uang asing adalah sebagai berikut:

Details of trade payables in foreign currencies are as follows:

	2016		2015		
	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	Dalam mata uang asing/ <i>In foreign currencies *)</i>	Ekuivalen/ <i>Equivalent Rp</i>	
US\$	416,862,980	5,600,971	333,184,447	4,596,279	US\$
EUR	10,972,386	155,386	1,747,171	26,329	EUR
JPY	31,991,723	3,692	--	--	JPY
Lain-lain **)	5,081,646	68,277	--	--	Others**)
Jumlah		5,828,326		4,622,608	Total

*) Dalam jumlah penuh

**) Utang usaha dalam mata uang lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) In full amount

**) Trade payables in other currencies are presented in US\$ equivalents using the exchange rate prevailing at reporting date

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Pada tahun 2015, akun ini termasuk utang kepada IPP terkait PPA dan ESC yang ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan sebagai sewa pembiayaan. Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016, utang usaha kepada IPP tertentu dari transaksi yang sebelumnya ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan sebagai sewa pembiayaan, dicatat sebagai utang usaha (Catatan 2.a).

In 2015, this account included amounts payable to certain IPPs in relation to PPAs and ESCs which were determined as containing a lease in accordance with ISFAS 8 and classified as finance leases. As the prospective implementation of POJK No.6 since January 1, 2016, trade payables to certain IPPs arising from transactions which were previously determined as containing a lease and have been classified as finance lease in accordance to ISFAS 8, are recorded as trade payables (Note 2.a).

31. Utang Lain-Lain

31. Other Payables

	2016 Rp	2015 Rp	
Perolehan aset tetap dan pekerjaan dalam pelaksanaan			<i>Acquisition of property, plant and equipment and construction in progress</i>
Rupiah	8,760,185	10,524,018	<i>Rupiah</i>
US\$	5,628,507	6,578,206	<i>US\$</i>
EUR	671,898	--	<i>EUR</i>
CHF	110,033	318,503	<i>CHF</i>
JPY	--	103,071	<i>JPY</i>
Pungutan pajak dan lain-lain kepada Pemerintah Daerah	1,692,528	1,720,213	<i>Withholding tax and others to Local Government</i>
Uang muka penjualan tenaga listrik	663,880	542,772	<i>Advances received on sale of electricity</i>
Karyawan	41,485	24,671	<i>Employees</i>
Lain-lain	660,119	444,832	<i>Others</i>
Jumlah	18,228,635	20,256,286	<i>Total</i>
Dikurangi bagian jangka panjang	155,781	67,678	<i>Less long-term portion</i>
Bagian jangka pendek	18,072,854	20,188,608	<i>Current portion</i>

Pungutan pajak dan lain-lain kepada Pemerintah Daerah

Utang kepada pemerintah daerah merupakan jumlah yang ditagih Perusahaan dari pelanggan untuk pajak penerangan jalan umum. Selanjutnya jumlah yang dipungut akan diteruskan kepada pemerintah daerah.

Withholding tax and others to Local Government

The payable to local Government represents the amount collected by the Company from the customer for streetlight taxes. This is subsequently remitted to the respective local Government.

Uang muka penjualan tenaga listrik

Akun ini merupakan kas yang diterima atas penjualan listrik Prabayar.

Advances received on sale of electricity

This account represents cash received from the sale of prepaid electricity.

Karyawan

Utang kepada karyawan terutama merupakan penerimaan dimuka atas cicilan penjualan rumah dinas.

Employees

Payable to employees mainly represents receipt of advance installment payment from employees related to house installment.

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32. Utang Pajak

32. Taxes Payable

	2016 Rp	2015 Rp	
Perusahaan			The Company
Pajak penghasilan			Income taxes
Pasal 21	50,416	51,194	Article 21
Pasal 22	65,721	37,114	Article 22
Pasal 23	60,912	44,388	Article 23
Pasal 4(2), 15, 25 dan 26	481,069	525,764	Article 4(2), 15, 25 and 26
Pajak pertambahan nilai	594,298	388,708	Value added tax
Bea materai	13,523	10,871	Stamp duty
Pajak selisih penilaian kembali aset tetap	--	4,172,004	Tax on revaluation increment on property, plant and equipment
Sub jumlah	<u>1,265,939</u>	<u>5,230,043</u>	Sub total
Entitas anak			Subsidiaries
Pajak penghasilan badan	126,858	136,711	Corporate income tax
Pajak penghasilan			Income taxes
Pasal 21	60,981	50,893	Article 21
Pasal 22	16,723	23,710	Article 22
Pasal 23	32,897	18,671	Article 23
Pasal 4(2), 15, 25 dan 26	84,383	126,740	Article 4(2), 15, 25 and 26
Pajak pertambahan nilai	363,147	143,649	Value added tax
Pajak bumi dan bangunan	18	2,585	Land and building taxes
Pajak selisih penilaian kembali aset tetap	--	9,398,855	Tax on revaluation increment on property, plant and equipment
Sub jumlah	<u>685,007</u>	<u>9,901,814</u>	Sub total
Jumlah	<u>1,950,946</u>	<u>15,131,857</u>	Total

33. Biaya Masih Harus Dibayar

33. Accrued Expenses

Pada tahun 2015, akun ini termasuk bunga yang masih harus dibayar kepada IPP terkait PPA dan ESC yang ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan ke dalam sewa pembiayaan. Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016, PPA dan ESC yang telah diklasifikasikan ke dalam sewa pembiayaan tersebut diperlakukan sebagai transaksi jual beli (Catatan 2.a).

In 2015, this account represents accrued interest expenses to certain IPPs in relation to PPAs and ESCs which were determined as containing a lease in accordance with ISFAS 8 and have been classified as finance leases. As a result of the implementation of POJK No.6 since January 1, 2016, PPAs and ESCs which have been previously classified as finance lease are treated as sale and purchase transactions (Note 2.a).

	2016 Rp	2015 Rp	
Bunga dan beban keuangan			Interest and financing charges
Pihak berelasi			Related parties
Utang bank	447,596	361,470	Bank loans
Utang penerusan pinjaman	235,460	219,259	Two-step loans
Utang kepada pemerintah dan lembaga keuangan pemerintah non bank	119,640	114,460	Government and non bank government financial institution loans
Utang usaha atas pembelian BBM	19,713	18,572	Trade accounts payable on purchases of fuel
Jumlah pihak berelasi	<u>822,409</u>	<u>713,761</u>	Total related parties

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	<u>2016</u> Rp	<u>2015</u> Rp	
Pihak ketiga			<i>Third parties</i>
Utang obligasi dan sukuk ijarah	1,338,615	1,501,038	<i>Bonds payable and sukuk ijarah</i>
Utang bank	394,765	400,030	<i>Bank loans</i>
Utang sewa pembiayaan	341,403	2,873,340	<i>Lease liabilities</i>
Utang listrik swasta	39,027	54,795	<i>Electricity purchase payable</i>
Jumlah pihak ketiga	<u>2,113,810</u>	<u>4,829,203</u>	<i>Total third parties</i>
Sub jumlah	<u>2,936,219</u>	<u>5,542,964</u>	<i>Subtotal</i>
Liabilitas imbalan kerja karyawan jangka pendek			<i>Employee benefit obligation-Short term</i>
Bonus dan insentif prestasi kerja	6,159,817	4,582,633	<i>Bonus and performance incentives</i>
Biaya operasional	1,548,523	501,458	<i>Operational charges</i>
Jumlah	<u>10,644,559</u>	<u>10,627,055</u>	Total

Rincian biaya masih harus dibayar dalam mata uang asing adalah sebagai berikut:

Details of accrued expenses in foreign currencies are as follows:

	<u>2016</u>		<u>2015</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen/ Equivalent Rp</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen/ Equivalent Rp</u>	
US\$	113,279,119	1,522,018	279,346,037	3,853,579	US\$
JPY	4,198,343,675	484,509	4,930,820,534	564,698	JPY
EUR	1,136,639	16,097	1,015,374	15,301	EUR
Lain-lain **)	138,506	1,861	172,667	2,382	Others **)
Jumlah		<u>2,024,485</u>		<u>4,435,960</u>	Total

*) Dalam jumlah penuh

*) In full amount

**) Biaya masih harus dibayar dalam mata uang asing lainnya disajikan setara US\$ dengan menggunakan kurs tanggal pelaporan.

**) Accrued expenses denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at reporting date.

34. Uang Jaminan Langgan

34. Customers' Security Deposits

Akun ini merupakan uang jaminan langganan yang ditentukan berdasarkan besar daya dan golongan tarif. Uang jaminan langganan akan dikembalikan apabila pelanggan berhenti menjadi pelanggan, dengan memperhitungkan rekening listrik belum dibayar.

This account represents security deposits from customers determined based on power supply and electricity tariff. Customer security deposits will be refunded, net of unpaid electricity bills, upon discontinuation of customers' subscriptions.

35. Utang Biaya Proyek

35. Project Cost Payable

Akun ini merupakan utang kepada kontraktor atas biaya konstruksi dan pengadaan material. Akun ini akan direklasifikasi ke akun penerusan pinjaman pada saat penerbitan *Withdrawal Authorization* (WA) atau dokumen lain yang sejenis.

This account represents payable to contractors arising from construction of property and equipment and purchases of materials. This account will be reclassified into the two-step loans account at the issuance of the Withdrawal Authorization (WA) or other similar documents.

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36. Penjualan Tenaga Listrik

36. Sale of Electricity

Penjualan tenaga listrik menurut pelanggan adalah sebagai berikut:

Sale of electricity by customers is as follows:

	2016 Rp	2015 Rp	
Pihak berelasi			Related parties
Badan Usaha Milik Negara	5,125,587	5,428,312	State-Owned Enterprises
Pihak ketiga			Third parties
Umum	199,054,085	194,460,159	Public
Lembaga dan Kementerian	10,077,117	10,080,266	Institutions and Ministries
TNI dan Polri	1,118,787	1,100,897	Indonesian Armed Forces
Jumlah pihak ketiga	210,249,989	205,641,322	Total of third parties
Jumlah	215,375,576	211,069,634	Total
Masa uji coba	(1,235,742)	(1,225,093)	Commissioning test
Jumlah penjualan bersih	214,139,834	209,844,541	Total sales - net

Testing dan masa uji coba (*commissioning test*) merupakan serangkaian kegiatan pemeriksaan dan pengujian instalasi listrik yang telah selesai dikerjakan dan hendak dioperasikan. Beban dan pendapatan atas penjualan tenaga listrik yang terjadi pada masa masa uji coba dikapitalisasi ke Pekerjaan Dalam Pelaksanaan (PDP) konstruksi dikarenakan instalasi listrik belum beroperasi.

Testing and commissioning (commissioning test) are series of inspection and testing activities for electrical installations that have been completed and are going to be operated. The costs and revenues from the sale of electricity that occurred during the commissioning test are capitalized into construction in progress (PDP) because the electrical installation has not been commercially operated.

Penjualan tenaga listrik tahun 2016 dan 2015 didasarkan pada Tarif Dasar Listrik, yang ditetapkan oleh Pemerintah, sebagai berikut:

Sale of electricity for the years 2016 and 2015 are based on the Basic Electricity Tariff determined by the Government as follows:

- Peraturan Menteri Energi dan Sumber Daya Mineral Republik Indonesia No. 31 Tahun 2014, tentang Tarif Tenaga Listrik yang disediakan oleh Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara yang diperbarui dengan Peraturan Menteri Energi dan Sumber Daya Mineral No. 9 Tahun 2015.
- Peraturan Walikota Batam No. 40 Tahun 2012, tentang tarif tenaga listrik yang disediakan oleh PT Pelayanan Listrik Nasional Batam.
- Peraturan Gubernur Kepulauan Riau No. 38 Tahun 2015 tentang tarif tenaga listrik yang disediakan oleh PT Pelayanan Listrik Nasional Batam.
- Peraturan Walikota Tarakan No. 17 Tahun 2014 tanggal 17 Agustus 2014, tentang pemberlakuan penyesuaian tarif listrik berkala.

- *Regulation of the Ministry of Energy and Mineral Resources of the Republic of Indonesia No. 31 Year 2014, regarding the Tariff of Electricity provided by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara, which has been amended by Regulation of the Ministry of Energy and Mineral Resources No. 9 Year 2015.*
- *Regulation of the Mayor of Batam No. 40 Year 2012, regarding the tariff of electricity provided by PT Pelayanan Listrik Nasional Batam.*
- *Regulation of the Governor of Riau Islands No. 38 Year 2015, regarding the tariff of electricity provided by PT Pelayanan Listrik Nasional Batam.*
- *Regulation of the Mayor of Tarakan No. 17 Year 2014 dated August 17, 2014, regarding the enforcement of adjusted periodical tariff of electricity.*

Tidak terdapat penjualan kepada pelanggan dengan jumlah melebihi 10% dari penjualan tenaga listrik.

The Company has no single customer from which it generates revenue of more than 10% of total sale of electricity.

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37. Subsidi Listrik Pemerintah

Pendapatan subsidi merupakan pendapatan dari Pemerintah Indonesia atas selisih antara biaya yang diperbolehkan ditambah marjin 7% dengan harga jual aktual per masing-masing golongan tarif kecuali untuk golongan tarif yang telah mendapatkan penyesuaian tarif otomatis menurut Peraturan Menteri ESDM No. 09 Tahun 2015 tentang perubahan atas Peraturan Menteri ESDM No. 31 Tahun 2014 tentang tarif tenaga listrik yang disediakan oleh Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara.

Pemerintah Republik Indonesia memberikan subsidi listrik kepada pelanggan melalui Perusahaan. Tata cara penghitungan dan pembayaran subsidi listrik Tahun Anggaran 2016 dan 2015 menggunakan Peraturan Menteri Keuangan No. 170/PMK.02/2013 tanggal 28 November 2013. Subsidi listrik dihitung dari selisih negatif antara harga jual tenaga listrik rata-rata (Rp/kWh) dari masing-masing golongan tarif dikurangi Biaya Pokok Penyediaan ("BPP") tenaga listrik (Rp/kWh) pada tegangan di masing-masing golongan tarif dikalikan volume penjualan (kWh) untuk setiap golongan tarif. BPP tenaga listrik dihitung berdasarkan formula, termasuk tingkat susut jaringan transmisi dan distribusi, yang ditetapkan oleh Menteri Energi dan Sumber Daya Mineral c.q Direktorat Jenderal Ketenagalistrikan.

Berdasarkan Surat Pengesahan Daftar Isian Pelaksanaan Anggaran ("DIPA") revisi tanggal 30 Desember 2016 No.SP.DIPA-999.07.1.979321/2016, pagu tertinggi subsidi listrik tahun anggaran 2016 dan 2015 ditetapkan sebesar Rp63.098.157 dan Rp73.149.237, termasuk 7% marjin di atas BPP tenaga listrik.

Besarnya subsidi listrik dalam satu tahun anggaran secara final ditetapkan berdasarkan hasil audit atas ketaatan penggunaan subsidi listrik yang dilakukan oleh auditor yang ditunjuk Menteri Keuangan c.q Direktorat Jenderal Anggaran.

Pada tanggal 30 Maret 2017 dan 10 Maret 2016, Perusahaan telah menerima hasil audit perhitungan subsidi listrik tahun 2016 dan 2015 masing-masing sebesar Rp60.441.520 dan Rp56.552.532.

37. Government's Electricity Subsidy

Subsidy revenue represent the revenue from the Government of Indonesia for difference between allowable cost plus 7% margin with actual sales price for each tariff group except for tariff group which received automatic tariff adjustment based on the Minister of ESDM Regulation No. 09 Year 2015 regarding changes on the Minister of ESDM Regulation No. 31 Year 2014 regarding electricity tariff provided by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara.

The Government of the Republic of Indonesia has provided electricity subsidy to customers through the Company. The procedure for calculation and payment of electricity subsidy for Budget Year 2016 and 2015 are using the Minister of Finance Regulation No. 170/PMK.02/2013 dated November 28, 2013. The electricity subsidy is calculated from the negative difference between the average sales prices (Rp/kWh) of each tariff group less the cost of electricity ("BPP") supplies (Rp/kWh) on the voltage at each tariff group multiplied by the electricity sales volume (kWh) for each tariff group. BPP electricity is computed based on the formula, including the rate of transmission and distribution losses which is determined by the Directorate General of Electricity under the Ministry of Energy and Mineral Resources.

Based on the Approval Letter of Budget Performance List ("DIPA") revised dated December 30, 2016 No.SP.DIPA-999.07.1.979321/2016, the electricity subsidy plafond for budget year 2016 and 2015 were amounted to Rp63,098,157 and Rp73,149,237, respectively, which includes 7% margin above BPP electricity.

The amount of the electricity subsidy within a budget year is finalized based on the result of the compliance audit of the usage of the electricity subsidy performed by an auditor assigned by the Directorate General of Budget under the Ministry of Finance.

On March 30, 2017 and March 10, 2016, the Company agreed with the result of audit of 2016 and 2015 electricity subsidy computation amounting to Rp60,441,520 and Rp56,552,532, respectively.

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Merujuk pada surat Menteri Energi dan Sumber Daya Mineral (ESDM) pada tanggal 8 Mei 2017 tentang Realisasi Susut Jaringan Tenaga Listrik Perusahaan, pada tanggal 31 Agustus 2017 Badan Pemeriksa Keuangan Republik Indonesia (BPK RI) menerbitkan Laporan Hasil Pemeriksaan dengan tujuan tertentu subsidi listrik tahun anggaran 2016 No.37A/AUDITAMA VII/PDPT/08/2017 yang menetapkan bahwa hasil audit perhitungan subsidi listrik tahun 2016 adalah sebesar Rp58.043.265.

Referring to the letter of the Minister of Energy and Mineral Resources (ESDM) on May 8, 2017 on the realization of the Company's electricity transmission losses, on August 31, 2017 the Supreme Audit Board of the Republic of Indonesia (BPK RI) has issued an audit report on the specific purpose of electricity subsidy for fiscal year 2016 No.37A/AUDITAMA VII/PDPT/08/2017 which determined that the audit result of electricity subsidy calculation in 2016 were amounted to Rp58,043,265.

Pendapatan subsidi listrik dirinci sebagai berikut:

The details of revenue from electricity subsidy are as follows:

	<u>2016</u> Rp	<u>2015</u> Rp	
Realisasi penerimaan subsidi tahun anggaran berjalan			Realization of subsidy from current year budget
Penerimaan tunai	37,287,383	51,332,384	Cash received
Saling hapus dengan pajak revaluasi	13,529,920	--	Offset with tax on revaluation
Piutang subsidi listrik	7,225,962	5,220,148	Subsidy receivable
Jumlah	<u>58,043,265</u>	<u>56,552,532</u>	Total

38. Pendapatan Usaha Lain-Lain

38. Other Revenues

	<u>2016</u> Rp	<u>2015</u> Rp	
Jaringan dan jasa telekomunikasi	816,278	798,435	Telecommunication network and service
Sewa transformator	312,725	270,255	Transformer rental
Perubahan daya tersambung dan administrasi	25,284	1,272	Upgrading of electricity power and administration fees
Jasa-jasa dan lainnya	475,699	291,152	Services and others
Jumlah	<u>1,629,986</u>	<u>1,361,114</u>	Total

39. Beban Bahan Bakar dan Pelumas

39. Fuel and Lubricants Expense

	<u>2016</u> Rp	<u>2015</u> Rp	
Bahan Bakar Minyak			Fuel
Solar High Speed Diesel	19,191,437	30,425,933	Solar High Speed Diesel
Residu	3,570,435	4,778,955	Residue
Solar Industrial Diesel	4,315	14,362	Solar Industrial Diesel
Lainnya	1,291,002	948,078	Others
Sub jumlah	<u>24,057,189</u>	<u>36,167,328</u>	Subtotal
Bahan Bakar - Non Minyak			Nonfuel
Gas alam	51,079,829	51,668,400	Natural gas
Batubara	30,901,389	45,078,428	Coal
Panas bumi	2,834,209	4,899,408	Geothermal
Air	322,631	308,724	Water
Sub jumlah	<u>85,138,058</u>	<u>101,954,960</u>	Subtotal
Minyak pelumas	297,136	286,027	Lubricants
Jumlah	<u>109,492,383</u>	<u>138,408,315</u>	Total

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Jumlah pembelian Perusahaan dan entitas anak dari pemasok yang melebihi 10% dari total pendapatan Perusahaan adalah masing-masing sebesar Rp22.581.839 dan Rp45.924.873 di tahun 2016 dan 2015 dari PT Pertamina (Persero) (pihak berelasi) (Catatan 51).

Purchases from a single supplier exceeding 10% of the Company and its subsidiaries' total revenues were transacted with PT Pertamina (Persero) (a related party) which amounted to Rp22,581,839 and Rp45,924,873 in 2016 and 2015, respectively (Note 51).

Sebelum 1 Januari 2016, komponen operasional dalam transaksi berdasarkan PPA dan ESC dengan IPP yang sebelumnya ditentukan mengandung sewa menurut ISAK 8 dicatat sebagai beban bahan bakar dan pelumas. Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016 (Catatan 2.a), komponen operasional tersebut dicatat sebagai beban pembelian tenaga listrik (Catatan 40).

Prior to January 1, 2016, operations component in transactions based on PPAs and ESCs with IPPs which were previously determined as containing a lease in accordance with ISAK 8 are recorded as fuel and lubricants expense. As a result of the prospective application of POJK No.6 since January 1, 2016 (Note 2.a), such operations components are recorded as purchased electricity expense (Note 40).

40. Beban Pembelian Tenaga Listrik

40. Purchased Electricity Expenses

Akun ini termasuk pembelian tenaga listrik dari IPP terkait PPA dan ESC, pembelian tenaga listrik selama masa uji coba dan pembelian tenaga listrik dari kelebihan produksi dari IPP tertentu. Rinciannya adalah sebagai berikut:

This account includes purchase of electricity from certain IPPs in relation to PPAs and ESCs, purchase of electricity during the commissioning stage and purchase of excess electricity generated by certain IPPs. The details are as follows:

	2016 Rp	2015 Rp	
Pihak Berelasi			<i>Related parties</i>
PT Sumber Segara Primadaya	3,281,618	--	<i>PT Sumber Segara Primadaya</i>
PT Pertamina Geothermal Energy	916,737	--	<i>PT Pertamina Geothermal Energy</i>
PT Bajradaya Sentranusa	775,713	--	<i>PT Bajradaya Sentranusa</i>
PT Geo Dipa Energi	589,986	--	<i>PT Geo Dipa Energi</i>
PT Dalle Energy Batam	545,847	--	<i>PT Dalle Energy Batam</i>
PT Bukit Pembangkit Innovative	444,259	--	<i>PT Bukit Pembangkit Innovative</i>
Sub Jumlah	<u>6,554,160</u>	<u>--</u>	<i>Sub Total</i>
Pihak Ketiga			<i>Third parties</i>
PT Paiton Energy	11,912,764	--	<i>PT Paiton Energy</i>
PT Jawa Power	6,925,687	--	<i>PT Jawa Power</i>
PT Cirebon Electric Power	3,555,402	--	<i>PT Cirebon Electric Power</i>
PT Cikarang Listrindo	1,986,615	2,232,310	<i>PT Cikarang Listrindo</i>
PT Indonesia Asahan Aluminium Kuala Tanjung	213,121	338,166	<i>PT Indonesia Asahan Aluminium Kuala Tanjung</i>
PT Makmur Sejahtera Wisesa	196,165	270,900	<i>PT Makmur Sejahtera Wisesa</i>
Sub Jumlah	<u>24,789,754</u>	<u>2,841,376</u>	<i>Sub Total</i>
Lain-lain (dibawah 5% dari jumlah)	<u>28,385,476</u>	<u>1,579,483</u>	<i>Others (each below 5% of total)</i>
Jumlah	<u>59,729,390</u>	<u>4,420,859</u>	<i>Total</i>

Transaksi berdasarkan PPA dan ESC dengan IPP yang sebelumnya ditentukan mengandung sewa menurut ISAK 8, sejak 1 Januari 2016, dicatat sebagai beban pembelian tenaga listrik (Catatan 2.a).

Transactions based on PPAs and ESCs with IPPs which were previously determined as containing a lease in accordance with ISAK 8, since January 1, 2016, is recorded as purchased electricity expense (Note 2.a).

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41. Beban Sewa

Akun ini sebagian besar merupakan biaya penyewaan mesin diesel dan genset yang ditentukan sebagai sewa operasi.

41. Lease Expenses

This account mostly pertains to the rental of diesel engines and gensets determined as operating leases.

42. Beban Pemeliharaan

Akun ini merupakan beban yang timbul dari pemakaian material dan jasa borongan untuk keperluan pemeliharaan. Rinciannya adalah sebagai berikut:

42. Maintenance Expenses

This account represents spare parts used and contractor fees for maintenance purposes. The details are as follows:

	2016 Rp	2015 Rp	
Jasa borongan	14,439,884	16,123,358	Contractor fees
Pemakaian material	6,786,852	5,737,952	Spare parts used
Jumlah	21,226,736	21,861,310	Total

Sebelum 1 Januari 2016, komponen pemeliharaan dalam transaksi berdasarkan PPA dan ESC dengan IPP yang sebelumnya ditentukan mengandung sewa menurut ISAK 8 dicatat sebagai beban pemeliharaan. Sebagai dampak diterapkannya POJK No.6 secara prospektif mulai 1 Januari 2016 (Catatan 2.a), komponen pemeliharaan tersebut dicatat sebagai beban pembelian tenaga listrik (Catatan 40).

Prior to January 1, 2016, maintenance component in transactions based on PPAs and ESCs with IPPs which were previously determined as containing a lease in accordance with ISAK 8 are recorded as maintenance expense. As a result of the prospective application of POJK No.6 since January 1, 2016 (Note 2.a), such maintenance components are recorded as purchased electricity expense (Note 40).

43. Beban Kepegawaian

	2016 Rp	2015 Rp	
Jasa produksi dan insentif prestasi kerja	7,001,682	5,763,554	Bonus and performance incentives
Imbalan kerja (Catatan 49)	4,968,131	5,335,698	Employee benefits (Note 49)
Gaji	4,262,154	4,075,165	Salaries
Tunjangan	2,708,988	2,121,034	Allowances
Lain-lain	3,719,010	3,025,686	Others
Jumlah	22,659,965	20,321,137	Total

43. Personnel Expenses

44. Beban Usaha Lain-Lain

	2016 Rp	2015 Rp	
Baca meter	1,084,739	914,309	Meter reading
Honorarium	751,655	683,611	Honorarium
Perjalanan dinas	725,198	598,783	Travel
Penagihan rekening dan penertiban pemakaian tenaga listrik	686,023	681,254	Billing collection and orderliness of electricity used
Pengelolaan pelanggan	666,112	672,357	Customer maintenance
Teknologi informasi	536,176	527,592	Technological information
Listrik, gas dan air	298,176	285,952	Electricity, gas, and water
Asuransi	270,828	607,718	Insurance
Lain-lain (masing-masing dibawah Rp200.000)	2,265,157	2,118,501	Others (each below Rp200,000)
Jumlah	7,284,064	7,090,077	Total

44. Other Operating Expenses

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45. Beban Keuangan

45. Financial Cost

	2016 Rp	2015 Rp	
Pihak berelasi			<i>Related parties</i>
Utang bank	3,774,489	2,803,534	<i>Bank loans</i>
Penerusan pinjaman	633,599	564,820	<i>Two-step loans</i>
Utang kepada Pemerintah	558,962	569,073	<i>Government loans</i>
Utang usaha atas pembelian BBM	--	17,133	<i>Trade payables on fuel</i>
Utang Sewa Pembiayaan	--	3,065,008	<i>Lease liabilities</i>
Instrumen derivatif	105,215	--	<i>Derivative instruments</i>
Jumlah pihak berelasi	<u>5,072,265</u>	<u>7,019,568</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Utang sewa pembiayaan	4,273,840	23,127,774	<i>Lease liabilities</i>
Utang obligasi	6,487,714	7,321,872	<i>Bonds payable</i>
Utang bank	2,289,708	1,898,864	<i>Bank loans</i>
Utang listrik swasta	471,406	510,678	<i>Electricity purchase payable</i>
Lain-lain	108,343	98,472	<i>Others</i>
Jumlah pihak ketiga	<u>13,631,011</u>	<u>32,957,660</u>	<i>Total third parties</i>
Jumlah	<u>18,703,276</u>	<u>39,977,228</u>	Total

Sebelum 1 Januari 2016, Perusahaan dan entitas anak mencatat beban keuangan yang terjadi dalam transaksi berdasarkan PPA dan ESC dengan IPP yang sebelumnya ditentukan mengandung sewa menurut ISAK 8 dan diklasifikasikan sebagai sewa pembiayaan. Sejak 1 Januari 2016, seluruh transaksi berdasarkan PPA dan ESC dengan IPP diperlakukan sebagai beban pembelian tenaga listrik (Catatan 2.a).

Prior to January 1, 2016, the Company and its subsidiaries recorded finance costs incurred for transactions based on PPAs and ESCs with IPPs which were previously determined as containing a lease in accordance with ISAK 8 and classified as financial lease. Since January 1, 2016, all transactions based on PPAs and ESCs with IPPs are treated as purchased electricity expense (Note 2.a).

46. Penghasilan Lain-Lain - Bersih

46. Other Income - Net

	2016 Rp	2015 Rp	
Penghasilan denda administrasi	1,848,808	1,533,497	<i>Administrative penalty income</i>
Bagian laba bersih entitas asosiasi dan ventura bersama	490,705	688,991	<i>Equity in net income of associates and joint ventures</i>
Penghasilan jasa dan klaim	44,988	102,212	<i>Claim and service income</i>
Keuntungan penjualan aset tidak digunakan dalam operasi	27,705	9,285	<i>Gain on sale of assets not used in operations</i>
Beban penelitian	(27,417)	(39,676)	<i>Research expenses</i>
Program pemberdayaan lingkungan	(81,079)	(159,883)	<i>Community development programs</i>
Kerugian penurunan nilai aset tidak digunakan dalam operasi	(167,941)	(497,835)	<i>Loss on impairment of asset not used in operations</i>
Lain-lain	(1,043,403)	800,475	<i>Others</i>
Jumlah	<u>1,092,366</u>	<u>2,437,066</u>	Total

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47. Pajak Penghasilan

47. Income Tax

(Beban) manfaat pajak Perusahaan dan entitas anak terdiri dari:

Tax (expense) benefits of the Company and its subsidiaries consist of the following:

	2016 Rp	2015 Rp	
Beban pajak kini	(263,510)	(1,356,581)	Current tax
(Beban) manfaat Pajak tangguhan	(5,164,333)	23,296,523	Deferred tax (expenses) benefits
Jumlah (beban) manfaat pajak	(5,427,843)	21,939,942	Total tax (expenses) benefits

a. Pajak Kini

Rekonsiliasi antara laba (rugi) sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan laba kena pajak (rugi fiskal) Perusahaan adalah sebagai berikut:

a. Current Tax

A reconciliation between income (loss) before tax per consolidated statements of profit or loss and other comprehensive income and taxable income (fiscal losses) of the Company is as follows:

	2016 Rp	2015 Rp	
Laba (rugi) sebelum pajak menurut laporan laba rugi komprehensif konsolidasian	13,578,226	(15,913,435)	<i>Income (loss) before tax per consolidated statements of profit or loss and other comprehensive income</i>
Rugi (laba) sebelum pajak entitas anak	(9,698,078)	(5,276,282)	<i>Loss (income) before tax attributable to subsidiaries</i>
Laba sebelum pajak - Perusahaan	3,880,148	(21,189,717)	<i>Income before tax - the Company</i>
Perbedaan temporer:			<i>Temporary differences:</i>
Sewa pembiayaan	(1,875,414)	13,587,788	<i>Lease expenses</i>
Penyambungan pelanggan	(331,315)	341,981	<i>Customer connection fees</i>
Penyusutan aset tetap	(50,666,325)	(9,160,736)	<i>Depreciation</i>
Imbalan kerja	1,337,285	2,177,263	<i>Employee benefits</i>
Perbedaan temporer dikarenakan revisi surat DJP	969,193	--	<i>Temporary difference from DJP revised letter</i>
Amortisasi biaya emisi obligasi	--	9,692	<i>Amortization of bonds issuance cost</i>
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal:			<i>Nondeductible expenses (nontaxable income):</i>
Penyisihan piutang ragu-ragu dan penurunan nilai persediaan	210,544	264,197	<i>Allowance for doubtful accounts and decline in value of inventories</i>
Kesejahteraan karyawan	809,141	988,223	<i>Employee welfare</i>
Penyusutan rumah dinas	5,267	5,267	<i>Depreciation of guest house</i>
Penghasilan bunga telah dikenakan pajak final	(307,309)	(379,408)	<i>Interest income subjected to final tax</i>
Beban lain tidak dapat dikurangkan	2,883,839	4,285,656	<i>Other nondeductible expenses</i>
Laba kena pajak Perusahaan tahun berjalan	(43,084,946)	(9,069,794)	<i>The Company's taxable income for the year</i>
Laba (rugi) fiskal tahun :			<i>Fiscal gain (losses) year :</i>
2015	--	--	<i>2015</i>
2014	--	5,799,917	<i>2014</i>
2013	--	(18,459,547)	<i>2013</i>
Akumulasi rugi fiskal - Perusahaan	(43,084,946)	(21,729,424)	Accumulated fiscal losses - the Company

Berdasarkan justifikasi manajemen ditentukan jumlah aset pajak tangguhan dari akumulasi rugi fiskal adalah sebesar Rp10.171.672. Sejalan dengan strategi rencana perpajakan Perusahaan kedepan.

Based on management justification, it was already determined that the deferred tax assets arising from accumulated fiscal losses is amounting to Rp10,171,672. In line with the future Company's tax plan.

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Pajak penghasilan kini dihitung berdasarkan taksiran penghasilan kena pajak. Nilai tersebut mungkin disesuaikan pada saat Surat Pemberitahuan Tahunan Pajak disampaikan ke Kantor Pelayanan Pajak.

Current income tax computations are based on estimated taxable income. The amount may be adjusted when the Annual Tax Returns are filed with the Tax Office.

Rugi fiskal dapat dikompensasikan dengan laba fiskal pada masa lima tahun mendatang sejak kerugian fiskal terjadi. Manajemen memperkirakan bahwa akumulasi kerugian fiskal dapat dikompensasikan dengan laba fiskal di masa mendatang. Sehingga per 31 Desember 2016, Perusahaan dan entitas anak mengakui aset pajak tangguhan dari akumulasi rugi fiskal sebesar Rp16.027.248.

The fiscal loss can be compensated against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes that it is probable future taxable profits will be available to be utilized accumulated fiscal losses. Therefore as of December 31, 2016, the Company and its subsidiaries' recognized deferred tax assets from accumulated fiscal losses amounted to Rp16,027,248.

Perhitungan beban dan utang pajak kini (pajak penghasilan lebih bayar) adalah sebagai berikut:

Current tax expense and payable (income tax overpayment) are as follows:

	2016 Rp	2015 Rp	
Beban pajak kini			<i>Current tax expense</i>
Perusahaan	--	--	<i>The Company</i>
Entitas anak	263,510	1,356,581	<i>Subsidiaries</i>
Jumlah	263,510	1,356,581	Total
Pembayaran pajak dimuka			<i>Prepayment of taxes</i>
Perusahaan			<i>The Company</i>
Pajak penghasilan			<i>Income tax</i>
Pasal 22	82,817	228,651	<i>Article 22</i>
Pasal 23	22,731	25,111	<i>Article 23</i>
Pasal 25	--	2,070,035	<i>Article 25</i>
Jumlah	105,548	2,323,797	<i>Total</i>
Entitas anak	853,478	1,346,860	<i>Subsidiaries</i>
Jumlah	959,026	3,670,657	Total
Lebih bayar pajak kini - bersih	(695,516)	(2,314,076)	<i>Current tax prepayment - net</i>
Terdiri dari			<i>Consist of</i>
Utang pajak kini			<i>Current tax payable</i>
Perusahaan	--	--	<i>The Company</i>
Entitas anak	126,858	136,711	<i>Subsidiaries</i>
Jumlah hutang pajak kini	126,858	136,711	<i>Total current tax payable</i>
Pajak penghasilan lebih bayar			<i>Income tax overpayment</i>
Perusahaan	(105,548)	(2,323,797)	<i>The Company</i>
Entitas anak	(716,827)	(126,990)	<i>Subsidiaries</i>
Jumlah pajak penghasilan lebih bayar	(822,375)	(2,450,787)	<i>Total income tax overpayment</i>

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b. Pajak Tanggahan

Rincian dari aset dan liabilitas pajak tanggahan Perusahaan dan entitas anak adalah sebagai berikut:

b. Deferred Tax

The details of the Company and its subsidiaries deferred tax assets and liabilities are as follows:

	1 Januari/ January 1, 2016 Rp	Penyesuaian penerapan/ Application adjustment POJK No.6 *) Rp	1 Januari/ January 1, 2016 setelah penyesuaian/ after adjustment Rp	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to income for the period Rp	Dikreditkan (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income Rp	31 Desember/ December 31, 2016 Rp	
Aset Pajak tanggahan							Deferred tax assets
Akumulasi rugi fiskal	--	--	--	16,007,239	--	16,007,239	Accumulated fiscal losses
Liabilitas imbalan kerja karyawan	10,032,919	--	10,032,919	416,974	689,733	11,139,626	Employment benefits obligations
Pendapatan ditangguhkan	382,635	--	382,635	(95,371)	--	287,264	Deferred revenue
Sewa pembiayaan	13,721,427	(14,787,770)	(1,066,343)	(468,854)	--	(1,535,197)	Leases
Aset tetap	4,815,402	--	4,815,402	(21,266,717)	--	(16,451,315)	Property, plant and equipment
Perbedaan sementara karena surat revisi DJP	--	--	--	242,298	--	242,298	Temporary difference due to revision of DJP
Bonus	130,298	--	130,298	73,160	--	203,458	Bonus
Persediaan	1,560	--	1,560	6,983	--	8,543	Inventories
Piutang usaha	10,684	--	10,684	(6,525)	--	4,159	Trade receivables
Laba dari entitas asosiasi	(8,836)	--	(8,836)	(14,755)	--	(23,591)	Income from associates
Biaya ditangguhkan	2,182	--	2,182	(2,663)	--	(481)	Deferred charges
Aset pajak tanggahan akhir tahun	29,088,271	(14,787,770)	14,300,501	(5,108,231)	689,733	9,882,003	Deferred tax assets at the end of the year
Liabilitas pajak tanggahan							Deferred tax liabilities
Akumulasi rugi fiskal	703	--	703	19,306	--	20,009	Accumulated fiscal losses
Liabilitas imbalan kerja karyawan	791	--	791	8,882	1,852	11,525	Employment benefits obligations
Pendapatan ditangguhkan	--	--	--	10,689	--	10,689	Deferred revenue
Sewa pembiayaan	--	--	--	(2,070)	--	(2,070)	Leases
Aset tetap	(6,670)	--	(6,670)	(79,096)	--	(85,766)	Property, plant and equipment
Piutang Usaha	--	--	--	6,932	--	6,932	Trade receivables
Laba dari entitas asosiasi	--	--	--	(20,753)	--	(20,753)	Income from associates
Amortisasi biaya emisi obligasi	(299)	--	(299)	8	--	(291)	Amortization of bonds issuance cost
Liabilitas pajak tanggahan akhir tahun	(5,475)	--	(5,475)	(56,102)	1,852	(59,725)	Deferred tax liabilities at the end of the year
				(5,164,333)	691,585		

*) Lihat Catatan 2.a

*) See Note 2.a

	1 Januari/ January 1, 2015 Rp	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to income for the year Rp	Dikreditkan (dibebankan) ke pendapatan komprehensif lain/ Credited (charged) to other comprehensive income Rp	Reklasifikasi/ Reclassification Rp	31 Desember/ December 31, 2015 Rp	
Aset Pajak tanggahan						Deferred tax assets
Akumulasi rugi fiskal	3,164,908	(3,164,908)	--	--	--	Accumulated fiscal losses
Liabilitas imbalan kerja karyawan	10,105,669	(1,213,736)	(1,905)	1,142,891	10,032,919	Employment benefits obligations
Pendapatan ditangguhkan	284,597	85,495	--	12,543	382,635	Deferred revenue
Sewa pembiayaan	10,182,711	3,402,151	--	136,565	13,721,427	Leases
Aset tetap	(17,051,368)	20,987,253	--	879,517	4,815,402	Property, plant and equipment
Bonus	--	--	--	130,298	130,298	Bonus
Persediaan	103	(14)	--	1,471	1,560	Inventories
Piutang usaha	4,784	(625)	--	6,525	10,684	Trade receivables
Laba dari entitas asosiasi	--	--	--	(8,836)	(8,836)	Income from associates
Biaya ditangguhkan	--	2,182	--	--	2,182	Deferred charges
Amortisasi biaya emisi obligasi	(2,423)	2,423	--	--	--	Amortization of bonds issuance cost
Aset pajak tanggahan akhir tahun	6,688,981	20,100,221	(1,905)	2,300,974	29,088,271	Deferred tax assets at the end of the year
Liabilitas pajak tanggahan						Deferred tax liabilities
Akumulasi rugi fiskal	783,395	(782,692)	--	--	703	Accumulated fiscal losses
Liabilitas imbalan kerja karyawan	54,035	2,617,893	(1,528,246)	(1,142,891)	791	Employment benefits obligations
Pendapatan ditangguhkan	4,633	7,910	--	(12,543)	--	Deferred revenue
Sewa pembiayaan	127,941	8,624	--	(136,565)	--	Leases
Aset tetap	(4,725,756)	1,218,365	4,380,238	(879,517)	(6,670)	Property, plant and equipment
Bonus	--	130,298	--	(130,298)	--	Bonus
Persediaan	1,471	--	--	(1,471)	--	Inventories
Piutang Usaha	6,626	(101)	--	(6,525)	--	Trade receivables
Laba dari entitas asosiasi	(4,871)	(3,965)	--	8,836	--	Income from associates
Amortisasi biaya emisi obligasi	(269)	(30)	--	--	(299)	Amortization of bonds issuance cost
Liabilitas pajak tanggahan akhir tahun	(3,752,795)	3,196,302	2,851,992	(2,300,974)	(5,475)	Deferred tax liabilities at the end of the year
		23,296,523	2,850,087			

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Analisis aset dan liabilitas pajak tangguhan
adalah sebagai berikut:

The analysis of deferred tax assets and
deferred tax liabilities is as follows:

	2016 Rp	2015 Rp	
Aset pajak tangguhan			Deferred tax assets
Aset pajak tangguhan yang akan dipulihkan:			Deferred tax assets to be recovered:
setelah 12 bulan	13,216,944	27,027,183	after 12 months
dalam 12 bulan	(3,334,941)	2,061,088	within 12 months
Liabilitas pajak tangguhan			Deferred tax liabilities
Liabilitas pajak tangguhan yang akan dipulihkan:			Deferred tax liabilities to be recovered:
setelah 12 bulan	--	--	after 12 months
dalam 12 bulan	(59,725)	(5,475)	within 12 months

Rekonsiliasi antara jumlah (manfaat)
beban pajak dan hasil perkalian laba (rugi)
sebelum pajak dengan tarif pajak efektif
adalah sebagai berikut:

A reconciliation between the total tax
(benefit) expense and the amounts
computed by applying the effective tax
rates to the profit (loss) before tax is as
follows:

	2016 Rp	2015 Rp	
Laba/ (rugi) konsolidasian sebelum pajak penghasilan	13,578,226	(15,913,435)	Consolidated profit/ (loss) before income tax
Pajak dihitung dengan tarif pajak yang berlaku	3,394,557	(3,978,359)	Tax calculated at applicable tax rate
Pengaruh pajak atas:			Tax effect on:
Aset/(liabilitas) pajak tangguhan yang dibalik	--	(18,925,024)	Reversal of deferred tax assets/ (liabilities)
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal			Non-deductible expenses (non-taxable income)
Kesejahteraan karyawan	309,115	256,911	Employee welfare
Bagian atas laba bersih entitas asosiasi dan ventura bersama	(191,555)	(183,230)	Share in net income of associates and joint venture
Penghasilan bunga telah dikenakan pajak final	(179,275)	(139,713)	Interest income subjected to final tax
Beban lain tidak dapat dikurangkan	2,095,002	1,029,473	Other non-deductible expenses
(Manfaat) beban pajak penghasilan konsolidasian	5,427,843	(21,939,942)	Consolidated income tax (benefit) expense

c. Surat Ketetapan Pajak

Perusahaan

Pada bulan November 2016, Perusahaan telah menerima beberapa Surat Ketetapan Pajak Kurang Bayar ("SKPKB") atas berbagai Pajak Penghasilan ("PPH") tahun 2013 sebesar Rp3.319.660, Perusahaan telah melakukan pembayaran sebagian sebesar Rp690.012 pemindahbukuan dari PPh 25/29 badan tahun 2016 yang dicatat sebagai pajak dibayar dimuka. Perusahaan masih mengajukan banding dan telah mengajukan keberatan ke DJP atas ketetapan tersebut (Catatan 57).

c. Tax Assessment Letters

The Company

In November 2016, the Company received several tax assessment letters for underpayment ("SKPKB") for various income tax ("PPH") for 2013 fiscal year amounting to Rp3,319,660. The Company has partially paid Rp690,012 offsetted from PPh25/29 fiscal year 2016 recorded as prepaid tax. The Company has filed an objection on the assessment letter and made an appeal to DJP (Note 57).

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Pada bulan April 2016, Perusahaan menerima SKPKB atas PPh Badan tahun 2014 sebesar Rp140.937 dan menetapkan laba fiskal sebesar Rp902.140. Perusahaan telah melakukan pembayaran sebesar Rp140.937, dicatat sebagai pajak dibayar di muka. Perusahaan telah mengajukan keberatan atas SKPKB tersebut pada bulan Juni 2016 dan sedang menunggu keputusan keberatan.

In April 2016, the Company received a tax SKPKB for 2014 PPh fiscal year 2014 amounting to Rp140,937 and determined the taxable income of Rp902,140. The Company has paid Rp140,937, recorded as prepaid tax. The Company had submitted the objection letter for SKPKB in June 2016 and still awaiting for the objection decision letter.

Pada bulan April 2016, Perusahaan juga menerima beberapa Surat Tagihan Pajak ("STP") Pajak Pertambahan Nilai ("PPN") masa 2014 sebesar Rp13.910. Seluruh STP tersebut telah dibayar oleh Perusahaan dibulan Agustus 2016, namun Perusahaan sedang dalam upaya mengajukan permohonan gugatan dan penghapusan sanksi ke Pengadilan Pajak.

In April 2016, the Company also received a tax collection letters ("STP") for Value Added Tax ("VAT") fiscal year 2014 amounting to Rp13,910. The Company had paid all the STP in August 2016, however, the Company is in their effort to submit an appeal and request for the removal of sanctions to the Tax Court.

Pada bulan Maret 2016, Perusahaan menerima STP atas PPh pasal 25 masa Januari 2016 sebesar Rp3.450 dan Perusahaan telah melakukan permohonan pembatalan atas STP tersebut.

In March 2016, the Company also received STP for PPh article 25 for January 2016 amounting to Rp3,450. The Company had appeal for cancellation of the STP.

Pada bulan April 2015, Perusahaan menerima Surat Ketetapan Pajak Lebih Bayar ("SKPLB") atas PPh Badan tahun 2013 sebesar Rp2.011.024 dan menetapkan rugi neto fiskal dari Rp18.459.546 menjadi sebesar Rp8.371.218. Terhadap lebih bayar tersebut Perusahaan kemudian menerima restitusi sebesar Rp2.010.792 setelah diperhitungkan dengan kompensasi utang unit Perusahaan, namun Perusahaan tetap mengajukan keberatan atas SKPLB tersebut pada bulan Juli 2015. DJP menolak keberatan yang diajukan Perusahaan pada bulan Juni 2016, Perusahaan tidak mengajukan banding atas penolakan tersebut.

In April 2015, the Company received a tax assessment letter for the overpayment ("SKPLB") of corporate income tax for the 2013 fiscal year amounting to Rp2,011,024 and amend the fiscal net loss from Rp18,459,546 to Rp8,371,218. For the overpayments the Company later received the restitution amounting to Rp2,010,792 after considering the business unit's payable, however the Company still filed an objection letter related to the assessment in July 2015. The DJP has rejected the Company's appeal in June 2016, the Company did not file an appeal against the verdict.

Pada bulan Juli dan November 2015, Perusahaan juga menerima beberapa SKPKB dan STP PPh pasal 4(2) dan PPh pasal 26 tahun 2012 dan PPN tahun 2012 dan 2013 sebesar Rp8.612.648. Perusahaan telah mengajukan keberatan atas SKPKB dan penghapusan sanksi serta pembatalan atas STP tersebut pada bulan Oktober 2015, Desember 2015 dan Januari 2016. Perusahaan telah melakukan pembayaran sebesar

In July and November 2015, the Company also received SKPKB and STP for income tax article 4(2) and article 26 for 2012 and VAT for the years 2012 and 2013 amounting to Rp8,612,648. The Company has filed an objection letter for SKPKB and administrative sanction abolition request on STP in October 2015, December 2015 and January 2016, respectively. The Company has paid the amount of Rp192,065 and recorded it as prepaid

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Rp192.065 dicatat sebagai pajak dibayar dimuka dan pembayaran sebesar Rp15.019 dicatat Perusahaan sebagai beban lain-lain. Pada bulan April 2016, DJP menolak permohonan penghapusan atas STP PPN tahun 2013 sebesar Rp22.864 dan Perusahaan telah mengajukan permohonan penghapusan sanksi kedua untuk STP terkait pada bulan Juni 2016. Pada bulan Juni 2016, DJP menolak permohonan penghapusan atas STP PPN tahun 2013 sebesar Rp5.305.664 dan Perusahaan telah mengajukan permohonan penghapusan sanksi kedua untuk STP terkait pada bulan Agustus 2016.

Pada bulan April 2014, Perusahaan menerima SKPKB atas PPh Badan tahun 2012 sebesar Rp1.330.243 dan menetapkan laba fiskal sebesar Rp4.540.925. Perusahaan mengajukan keberatan atas SKPKB tersebut pada bulan Juni 2014 dan Perusahaan telah melakukan pembayaran sebesar Rp182.496 yang dicatat sebagai pajak dibayar di muka. Keberatan tersebut ditolak DJP pada bulan Mei 2015. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2015, kemudian pada tanggal 22 Februari 2017 Perusahaan telah menerima salinan resmi putusan Pengadilan Pajak (Catatan 57).

Pada bulan September 2013, Perusahaan menerima SKPLB atas PPh Badan tahun 2011 sebesar Rp84.857 dan penetapan laba fiskal tahun 2011 dari Rp8.099.968 menjadi sebesar Rp11.506.614. Perusahaan mengajukan keberatan kepada DJP pada bulan Desember 2013 dan ditolak DJP pada bulan November 2014. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Februari 2015 dan sidang banding Pengadilan Pajak sudah selesai di bulan Februari 2016, namun masih menunggu putusan Pengadilan Pajak.

Perusahaan juga menerima SKPKB PPh pasal 4(2), pasal 21, pasal 23, pasal 26 dan PPN tahun 2011 dengan jumlah keseluruhan sebesar Rp144.328. Perusahaan mengajukan Surat Keberatan

taxes and payment amounting to Rp15,019 has been recorded by the Company as other expense. In April 2016, DJP has rejected administrative sanction abolition request on STP VAT 2013 fiscal year amounting to Rp22,864 and the Company submitted second abolition request in June 2016. In June 2016, DJP rejected administrative sanction abolition request on STP VAT fiscal year 2013 amounting to Rp5,305,664 million and the Company submitted second abolition request in August 2016.

In April 2014, the Company received a SKPKB of corporate income tax for the fiscal year 2012 amounting to Rp1,330,243 and determined taxable income of Rp4,540,925. The Company has filed an objection letter on the assessment in June 2014 and the Company has paid Rp182,496, recorded as prepaid tax. The objection was rejected by DJP in May 2015. The Company filed an appeal against the verdict in August 2015, later on February 22, 2017 the Company received the final result from the Tax Court (Note 57).

In September 2013, the Company received a SKPLB of corporate income tax for the 2011 fiscal year amounting to Rp84,857 and amend the 2011 taxable income from Rp8,099,968 to Rp11,506,614. The Company filed an objection to the DJP in December 2013 and rejected by the DJP in November 2014. The Company has filed an appeal against the rejection in February 2015 and on the Tax Court hearing session has been completed in February 2016, but still awaiting for the Tax Court decision letter.

The Company also received a SKPKB of income tax article 4(2), article 21, article 23, article 26 and VAT for the 2011 fiscal year with the total amount of Rp144,328. The Company has filed an objection letter

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atas SKPKB PPh pasal 23 dan 26 sebesar Rp94.478 (nilai sengketa Rp84.078) pada bulan Desember 2013. Pada bulan November 2014, DJP menolak keberatan tersebut dan Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Februari 2015. Sidang banding Pengadilan Pajak sudah selesai di bulan Pebruari 2016, namun masih menunggu putusan Pengadilan Pajak.

Pada bulan Desember 2012, Perusahaan menerima SKPLB atas PPh Badan tahun 2010 sebesar Rp98.148 dan penetapan laba fiskal dari Rp6.627.169 menjadi sebesar Rp9.627.659. Perusahaan mengajukan keberatan kepada DJP pada bulan Januari 2013 dan ditolak DJP pada bulan Januari 2014. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan April 2014 dan sidang banding Pengadilan Pajak sudah selesai di bulan Februari 2015, namun masih menunggu putusan Pengadilan Pajak.

Perusahaan juga menerima SKPKB PPh pasal 4(2), pasal 21, pasal 23, pasal 26 dan PPN tahun 2010 dengan jumlah keseluruhan sebesar Rp141.012. SKPKB sebesar Rp59.913 telah diterima dan dicatat oleh Perusahaan sebagai beban lain-lain pada bulan Desember 2012. Perusahaan mengajukan Surat Keberatan atas SKPKB PPh pasal 23 dan 26 sebesar Rp84.306 (nilai sengketa Rp81.099) pada bulan Januari 2013 dan telah melunasi kurang bayar tersebut pada bulan Desember 2012. Pada bulan Januari 2014, DJP menolak keberatan tersebut dan Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan April 2014. Sidang banding Pengadilan Pajak sudah selesai di bulan Maret dan April 2015 dan pada bulan Mei 2016, Pengadilan Pajak menyetujui banding yang diajukan perusahaan untuk PPh pasal 23 dan menolak banding untuk PPh 26 yang diajukan Perusahaan. Perusahaan mengajukan Peninjauan Kembali kepada Mahkamah Agung pada bulan Agustus 2016.

in December 2013 for income tax article 23 and 26 amounting to Rp94,478 (with dispute amounting to Rp84,078). In November 2014, DJP has rejected the objection and the Company filed an appeal against the rejection in February 2015. The Tax Court hearing session has been completed in February 2016, but still awaiting for the Tax Court decision letter.

In December 2012, the Company received a SKPLB for the 2010 fiscal year corporate income tax amounting to Rp98,148 and determined the taxable income from Rp6,627,169 to Rp9,627,659. The Company filed an objection to the DJP in January 2013 and it was rejected by the DJP in January 2014. The Company filed an appeal against the rejection in April 2014 and the Tax Court hearing session has been completed in February 2015, but still awaiting for the Tax Court decision letter.

The Company had also received a SKPKB of income tax article 4(2), article 21, article 23, article 26 and VAT for the fiscal year 2010 amounting to Rp141,012. SKPKB amounting to Rp59,913 has been accepted and recorded by the Company as other expense in December 2012. The Company submitted an objection letter on the SKPKB of income tax article 23 and 26 totaling Rp84,306 (with dispute amount of Rp81,099) in January 2013 and has paid the under payment in December 2012. In January 2014, the DJP has rejected the objection and the Company filed an appeal against the rejection in April 2014. the Tax Court hearing session has been completed in March and April 2015 and in May 2016, Tax Court accepted the Company's appeal for income tax article 23 and rejected the Company's appeal for income tax article 26. The Company submitted Judicial Review to Supreme Court in August 2016.

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Pada bulan Oktober 2011, Perusahaan menerima SKPLB atas PPh Badan tahun 2009 sebesar Rp95.625 dan penetapan laba fiskal dari Rp5.936.754 menjadi sebesar Rp8.132.406. Perusahaan mengajukan keberatan kepada DJP pada bulan Januari 2012 dan ditolak DJP pada bulan Oktober 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2012. Pada bulan Maret 2016, Pengadilan Pajak menyetujui banding yang diajukan Perusahaan.

Pada bulan Oktober 2011, Perusahaan menerima SKPKB PPh 23 tahun 2009 sebesar Rp252.348. Atas jumlah tersebut Perusahaan telah menyetujui koreksi sejumlah Rp5.058. Perusahaan mengajukan surat keberatan pada bulan Januari 2012 dan ditolak DJP pada bulan September 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2012. Pada bulan Oktober 2014, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp247.290 pada bulan Juli 2015. DJP mengajukan Peninjauan Kembali ("PK") untuk PPh 23 tahun 2009 di mana memori Peninjauan Kembali diterima Maret 2016. Perusahaan telah menjawab memori Peninjauan Kembali ("Kontra Memori") pada bulan April 2016. Pada bulan Oktober 2011, Perusahaan juga menerima SKPKB PPh 26 tahun 2009 sebesar Rp643.601. Atas jumlah tersebut Perusahaan telah menyetujui koreksi sejumlah Rp5.452. Perusahaan mengajukan surat keberatan pada bulan Desember 2011 dan ditolak DJP pada bulan Mei 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2012. Pada bulan Maret 2015, banding ditolak Pengadilan Pajak dan Perusahaan mengajukan Peninjauan Kembali kepada Mahkamah Agung pada bulan Juni 2015.

Pada bulan Juni 2011, Perusahaan menerima SKPKB PPh 23 tahun 2007 dan 2006 sejumlah Rp181.908. Perusahaan mengajukan surat keberatan pada bulan September 2011 dan ditolak DJP pada bulan Juni 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan September 2012. Pada bulan

In October 2011, the Company received a SKPLB of corporate income tax for the 2009 fiscal year amounting to Rp95,625 and amend the taxable income from Rp5,936,754 to Rp8,132,406. The Company filed an objection to the DJP in January 2012 and it was rejected by the DJP in October 2012. The Company filed an appeal against the rejection in December 2012. In March 2016, the Tax Court accepted the Company's appeal.

In October 2011, the Company received a SKPKB income tax article 23 for fiscal year 2009 with total amount of Rp252,348. Correction amounting to Rp5,058 has been accepted by the Company. In January 2012 the Company submitted an objection letter and it was rejected by the DJP in September 2012. The Company filed an appeal against the rejection in December 2012. In October 2014, the Tax Court accepted the Company's appeal and refunded the tax overpayments of Rp247,290 in July 2015. The DJP filed Judicial Review ("PK") for income tax article 23 fiscal year 2009 and the Company received memory PK in March 2016. The Company replied memory PK ("Contra Memory") in April 2016. In October 2011, the Company also received a SKPKB income tax article 26 fiscal year 2009 amounting to Rp643,601. Correction amounting to Rp5,452 has been accepted by the Company. The Company has submitted objection letter in December 2011 and rejected by the DJP in May 2012. The Company filed an appeal against the rejection in August 2012. In March 2015, the Tax Court rejected the appeal and then the Company submitted Judicial Review to Supreme Court in June 2015.

In June 2011, the Company received SKPKB income tax article 23 for 2007 and 2006 fiscal year amounting to Rp181,908. The Company submitted an objection letter in September 2011 and it was rejected by the DJP in June 2012. The Company filed an appeal in September 2012. In October 2013, the Tax Court accepted the

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Oktober 2013, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp181.908 pada bulan Desember 2013. Pada bulan Januari 2014, DJP mengajukan PK untuk PPh 23 tahun 2006 dan Perusahaan telah menjawab kontra memori PK pada bulan November 2014. Pada bulan Juni 2011, Perusahaan juga menerima SKPKB PPh 26 tahun 2007 sejumlah Rp316.944. Perusahaan mengajukan surat keberatan pada bulan September 2011 dan ditolak DJP pada bulan Mei 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2012. Pada bulan Pebruari 2015, banding ditolak Pengadilan Pajak. Perusahaan mengajukan PK kepada Mahkamah Agung pada bulan Juni 2015.

Pada bulan November 2010, Perusahaan menerima SKPKB PPh 23 tahun 2008 sebesar Rp301.385. Perusahaan mengajukan surat keberatan pada bulan Desember 2010 dan ditolak DJP pada bulan Oktober 2011. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2011. Pada bulan Oktober 2013, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp93.061 pada bulan Desember 2013. Pada bulan November 2010, Perusahaan juga menerima SKPKB atas PPh 26 tahun 2008 sebesar Rp614.610. Perusahaan mengajukan surat keberatan pada bulan Desember 2010 dan ditolak DJP pada bulan Oktober 2011. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2011. Pada bulan Maret 2015, banding ditolak Pengadilan Pajak dan Perusahaan mengajukan PK kepada Mahkamah Agung pada bulan Juni 2015.

Sehubungan dengan Perusahaan mengajukan surat keberatan dan banding terhadap SPKB, pembayaran yang telah dilakukan atas SKPKB tersebut sebesar Rp2.940.187 dan Rp2.109.238 pada tanggal 31 Desember 2016 dan 31 Desember 2015 dicatat sebagai pajak dibayar dimuka (Catatan 18).

Company's appeal and has refunded the tax overpayment of Rp181,908 in December 2013. In January 2014, the DJP filed PK for income tax article 23 for the 2006 fiscal year and the Company has replied the contra memory PK in November 2014. In June 2011, the Company also received a SKPKB income tax article 26 for 2007 fiscal year amounting to Rp316,944. The Company submitted an objection letter in September 2011 and it was rejected by the DJP in May 2012. The Company filed an appeal against the rejection in August 2012. In February 2015, the Tax Court rejected the appeal. The Company filed PK to the Supreme Court in June 2015.

In November 2010, the Company received a SKPKB income tax article 23 fiscal year 2008 amounting to Rp301,385. The Company submitted objection letter in December 2010 and it was rejected by the DJP in October 2011. The Company filed an appeal against the rejection in December 2011. In October 2013, the Tax Court accepted the Company's appeal and refunded the tax overpayments of Rp93,061 in December 2013. In November 2010, the Company had also received SKPKB income tax article 26 fiscal year 2008 amounting to Rp614,610. The Company submitted objection letter in December 2010 and it was rejected by the DJP in October 2011. The Company filed an appeal against the rejection in December 2011. In March 2015, the Tax Court rejected the appeal and the Company submitted PK to Supreme Court in June 2015.

Due to the objections and appeals filed by the Company against the SKPKB, payments has been made for SKPKB amounting to Rp2,940,187 and Rp2,109,238 as of December 31, 2016 and December 31, 2015, respectively, was recorded as prepaid taxes (Note 18).

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Entitas anak

Pada bulan Desember 2015, IP menerima STP PPN tahun pajak 2014 sebesar Rp698.430. IP telah mengajukan permohonan pembatalan STP pada bulan Januari 2016. IP juga menerima SKPLB PPN tahun pajak 2014 sebesar Rp72.832 dan telah diterima oleh IP.

Pada bulan Januari 2016, PJB menerima STP PPN tahun pajak 2014 sebesar Rp488 (milyar). PJB telah mengajukan permohonan pembatalan STP pada bulan Januari 2016. Pada bulan April 2016 PJB menerima surat No S- 1802/WPJ.19/BD.05/2016 tentang permintaan dokumen, data atau informasi dalam rangka penyelesaian permohonan pembatalan STP tidak benar dari Kanwil DJP Wajib Pajak Besar. PJB juga menerima SKPLB PPN tahun pajak 2014 sebesar Rp36.022.

d. Pengampunan Pajak

Entitas anak Perusahaan berpartisipasi dalam pengampunan pajak sehubungan dengan diberlakukannya Peraturan Menteri Keuangan No.118/PMK.03/2016 tentang Pelaksanaan Undang-Undang No.11 Tahun 2016 tentang Pengampunan Pajak sebagaimana telah diubah dengan Peraturan Menteri Keuangan No.141/PMK.03/2016 dan Peraturan Direktorat Jenderal Pajak No.PER-18/PJ/2016 tentang Pengembalian Kelebihan Pembayaran Uang Tebusan Dalam Rangka Pengampunan Pajak.

Rincian Surat Ketetapan Pengampunan Pajak ("SKPP") yang diterbitkan oleh Kementerian Keuangan Republik Indonesia adalah:

Subsidiaries

In December 2015, IP received an STP VAT for the fiscal year 2014 amounting to Rp698,430. IP has issued a cancellation request for the STP in January 2016. IP also received a SKPLB VAT for the fiscal year 2014 amounting to Rp72,832 and this has been agreed by IP.

In January 2016, PJB received a STP VAT for the fiscal year 2014 amounting to Rp488 (billion). PJB has issued a cancellation request for the STP in January 2016. In April 2016, PJB received letter No S-1802/WPJ.19/BD.05/2016 regarding document, data or information request in order of completion cancelation request for STP from Kanwil DJP Wajib Pajak Besar. PJB also receive SKPLB VAT for the fiscal year 2014 amounting to Rp36,022.

d. Tax Amnesty

The Company's subsidiaries were participated in Tax Amnesty in connection with the implementation of Regulation of the Minister of Finance No.118/PMK.03/2016 on the Implementation of Law No.11 of 2016 regarding Tax Amnesty, as amended by the Minister of Finance Regulation No.141/PMK.03/2016 and the Directorate General of Tax Regulation No.PER-18/PJ/2016 regarding the refund of excess payment on compensation for Tax Amnesty.

Details of Tax Amnesty Approval Letter ("TAAL") issued by the Ministry of Finance of the Republic of Indonesia are as follows:

<u>Entitas Anak/ Subsidiaries</u>	<u>No. SKPP</u>	<u>Tanggal/ Date</u>	<u>Jumlah Aset pengampunan pajak/ Total tax amnesty assets *) Rp</u>
Pembangkit Jawa Bali (PJB)	No. KEP-777/PP/WJP/19/2016	4 Oktober/ October 4, 2016	44,207
Indonesia Power (IP)	No. KEP-778/PP/WJP/19/2016	4 Oktober/ October 4, 2016	9,609
Artha Daya Coalindo (ADC)	No. KET-1327/PP/WJP.19/2016	8 Desember/ December 8, 2016	635
PLN Batam	No. KET-1040/PP/WJP.19/2016	17 Oktober/ October 17, 2016	40,053
			94,504

*) Tidak terdapat liabilitas pengampunan pajak yang dilaporkan/ There is no tax amnesty liabilities declared

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48. Laba Per Saham Dasar dan Dilusian

48. Basic and Diluted Earnings Per Share

Laba bersih

Laba bersih untuk tujuan perhitungan laba per saham dasar tahun 2016 dan 2015 masing-masing sebesar Rp8.113.656 dan Rp6.010.568.

Net income

Net income/ (loss) for the computation of basic earnings per share in 2016 and 2015 amounted to Rp8,113,656 and Rp6,010,568, respectively.

Jumlah saham

Rata-rata tertimbang saham untuk tujuan perhitungan laba per saham dasar untuk tahun 2016 dan 2015 adalah 54.087.903 saham dan 46.197.380 saham.

Number of shares

The weighted average number of shares for the computation of basic earnings per share for 2016 and 2015 were 54,087,903 shares and 46,197,380 shares.

Perusahaan tidak mempunyai efek berpotensi dilusi saham, sehingga laba per saham dasar sama dengan laba per saham dilusian.

The Company did not have potential dilutive ordinary shares, thus basic earnings per share are the same as the dilutive earnings per share.

49. Liabilitas Imbalan Kerja

49. Employee Benefits Liabilities

	2016 Rp	2015 Rp	
Liabilitas diakui di laporan posisi keuangan:			<i>Liabilities recognized on statements of financial position:</i>
Imbalan paska kerja			<i>Post-employment benefits</i>
Program pensiun	118,035	--	<i>Pension plan</i>
Imbalan paska kerja lainnya	13,371,371	13,256,657	<i>Other post-employment benefits</i>
Imbalan pemeliharaan kesehatan	30,152,741	25,969,297	<i>Health care benefits</i>
Imbalan jangka panjang lainnya	962,452	1,001,182	<i>Other long-term benefits</i>
Jumlah	44,604,599	40,227,136	Total
Beban diakui di laba rugi: (Catatan 43)			<i>Expenses recognize in profit or loss: (Note 43)</i>
Imbalan paska kerja			<i>Post-employment benefits</i>
Program pensiun	19,940	79,544	<i>Pension plan</i>
Imbalan paska kerja lainnya	1,896,211	1,590,475	<i>Other post-employment benefits</i>
Imbalan pemeliharaan kesehatan	2,708,183	3,480,029	<i>Health care benefits</i>
Imbalan jangka panjang lainnya	343,797	185,650	<i>Other long-term benefits</i>
Jumlah	4,968,131	5,335,698	Total
Pengukuran kembali program imbalan pasti diakui di penghasilan komprehensif lain:			<i>Remeasurement on defined benefit plan recognized in other comprehensive income:</i>
Program pensiun	506,991	77,756	<i>Pension Plan</i>
Imbalan paska kerja lainnya	(56,053)	1,936,004	<i>Other post-employment benefits</i>
Imbalan pemeliharaan kesehatan	2,315,404	(8,134,368)	<i>Health care benefits</i>
Jumlah	2,766,342	(6,120,608)	Total

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Liabilitas Imbalan Pascakerja

Program Pensiun Imbalan Pasti

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Program pensiun ini memberikan imbalan berdasarkan penghasilan dasar pensiun dan masa kerja karyawan.

Dana pensiun ini dikelola oleh Dana Pensiun PLN ("DP-PLN"), pihak berelasi, yang akta pendiriannya telah disahkan oleh Kementerian Keuangan Republik Indonesia dengan Surat Keputusannya No. KEP-284/KM.17/1997 tanggal 15 Mei 1997.

DP-PLN telah mendapat persetujuan dari Menteri Keuangan Republik Indonesia dalam surat keputusan No. KEP-8/NB.1/2016 tanggal 11 Februari 2016 atas peningkatan imbalan pasti pensiun yang disediakan Perusahaan dan entitas anak dalam program dana pensiun.

Pendanaan DP-PLN terutama berasal dari iuran karyawan dan pemberi kerja masing-masing sebesar 6,00% dan 13,41% dari Penghasilan Dasar Pensiun.

Imbalan Pemeliharaan Kesehatan

Selain program pensiun yang dikelola oleh DP-PLN, Perusahaan dan entitas anak menyediakan imbalan program pemeliharaan kesehatan tanpa pendanaan bagi pensiunan dan tanggungannya yang memenuhi persyaratan.

Imbalan PascaKerja Lainnya

Selain dari program dana pensiun dan imbalan pemeliharaan kesehatan, Perusahaan dan entitas anak menyediakan imbalan pesangon dan penghargaan purna jabatan tanpa pendanaan bagi pegawai yang memenuhi syarat.

Imbalan Jangka Panjang Lainnya

Perusahaan dan entitas anak juga memberikan imbalan kerja jangka panjang lainnya seperti uang cuti besar, tunjangan kecelakaan dinas dan penghargaan kesetiaan kerja.

Post-employment Benefits Liabilities

Defined Benefit Pension Plan

The Company and its subsidiaries established a defined benefit pension plan covering all of its eligible permanent employees. This pension plan provides benefits based on basic pension income and the period of employment.

This pension plan is managed by Dana Pensiun PLN ("DP-PLN"), a related party, whose deed of establishment was approved by the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP-284/KM.17/1997 dated May 15, 1997.

DP-PLN has obtained an approval from the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP-8/NB.1/2016 dated on February 11, 2016 in relation to the increase in pension benefits provided by the Company and its subsidiaries' pension plan.

DP-PLN is mainly funded by contributions from both the employees and the employer which are 6.00% and 13.41% from basic pension income, respectively.

Health Care Benefits

In addition to the pension plan managed by DP-PLN, the Company and its subsidiaries also provide unfunded health care benefit plans for their pensioners and their eligible dependents.

Other Post-employment Benefits

In addition to the pension plan and health care benefits, the Company and its subsidiaries also provide unfunded severance benefits and completion of employment award for eligible employees.

Other Long-term Benefits

The Company and its subsidiaries also provide other long-term employee benefits such as long leave allowance, disability benefit and loyalty benefit.

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Asumsi Yang Digunakan dalam Perhitungan
Liabilitas Imbalan Kerja

Assumption Used in the Calculations of
Employment Benefits Obligation

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Tabel mortalita	CSO-58	Mortality table
Tingkat pengunduran diri		Resignation rate
Usia 18 s.d. 49 tahun	0,27%	Age 18 up to 49 years old
Usia 50 s.d. 55 tahun	0,01%	Age 50 up to 55 years old
Usia Pensiun Normal	56 tahun/ Years old	Normal Retirement Age

Asumsi yang berhubungan dengan pengalaman mortalitas masa depan ditentukan berdasarkan saran aktuaris menurut statistik yang telah diterbitkan dan pengalaman setiap wilayah. Asumsi mortalitas yang digunakan adalah table mortalita CSO-58 yang diterapkan dalam penghitungan liabilitas kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by the Company and its subsidiaries. The mortality assumptions used are based on the CSO-58 mortality table which applied in calculating the long term benefits liability recognized within the consolidated statement of financial position.

Penilaian aktuarial atas program pensiun, imbalan pascakerja lainnya, imbalan pemeliharaan kesehatan dan imbalan kerja jangka panjang lainnya untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015, dilakukan oleh perusahaan konsultan aktuarial terdaftar, PT Binaputera Jaga Hikmah.

The actuarial calculations of pension plan, other post-employment benefits, health care benefits and other long term benefits for the years ended December 31, 2016 and 2015 were prepared by a registered actuarial consulting firm, PT Binaputera Jaga Hikmah.

Pada tahun 2015, Perusahaan dan entitas anak melakukan studi untuk melihat tabel mortalitas mana yang paling sesuai dengan profil mortalitas pegawai dan pensiunan Perusahaan dan entitas anak. Dalam melakukan studi, Perusahaan dan entitas anak telah mempertimbangkan CSO-58, CSO-58 modifikasi, TMI 1 1993, TMI 2 1999, TMI 3 2011, dan Tabel Mortalita Taspen 2012. Dari studi tersebut, Perusahaan dan entitas anak menemukan bahwa tabel mortalitas yang paling sesuai dengan profil mortalitas pegawai dan pensiunan Perusahaan dan entitas anak adalah CSO-58. Perusahaan dan entitas anak menerapkan CSO-58 secara retrospektif.

In 2015, the Company and its subsidiaries conducted a study to determine which mortality tables that best suits with the Company and its subsidiaries' employee and pensioners' mortality profile. In the study, the Company and its subsidiaries have considered CSO-58, CSO-58 modified, TMI 1 1993, TMI 2 1999, TMI 3 2011, and Taspen mortality table 2012. Based on the study, the Company and its subsidiaries found that mortality table that suits most with mortality profile of the Company and its subsidiaries' employees and pensioners is CSO-58. The Company and its subsidiaries apply CSO-58 retrospectively.

(i) Program Pensiun

Jumlah yang diakui pada laporan posisi keuangan konsolidasian ditentukan sebagai berikut:

(i) Pension Plan

The amounts recognized in the consolidated statements of financial position are determined as follows:

	2016 Rp	2015 Rp	
Nilai kini kewajiban yang didanai	7,842,473	6,346,704	<i>Present value of funded obligations</i>
Aset program yang tidak diakui	--	683,763	<i>Plan asset not recognized</i>
Nilai wajar aset program	(7,724,438)	(7,030,467)	<i>Fair value of plan assets</i>
Defisit (surplus) program yang didanai	118,035	--	<i>Deficit (surplus) of funded plans</i>
Nilai kini kewajiban yang tidak didanai	--	--	<i>Present value of unfunded obligations</i>
Liabilitas pada laporan posisi keuangan	118,035	--	<i>Liability in the statement of financial position</i>

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Mutasi nilai kini kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

Movement its of present value of defined benefit obligation during the year is as follows:

	2016 Rp	2015 Rp	
Pada awal tahun	6,346,704	6,217,066	At beginning of the year
Dibebankan ke laba rugi:			Charged to profit or loss:
Biaya jasa kini	146,379	133,887	Current service cost
Biaya bunga	552,168	532,079	Interest expense
	<u>698,547</u>	<u>665,966</u>	
Dibebankan ke penghasilan komprehensif lain: (Keuntungan) kerugian aktuarial dari:			Charged to other comprehensive income:
Perubahan asumsi demografik	194,593	19	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	(381,867)	150,736	Financial assumptions
Kombinasi perubahan asumsi	(70,367)	(17,110)	Combination of change in assumptions
Penyesuaian atas pengalaman	1,697,607	(164,142)	Experience adjustment
	<u>8,485,217</u>	<u>6,852,535</u>	
Pembayaran manfaat	(642,744)	(505,831)	Benefit payment
Pada akhir tahun	<u>7,842,473</u>	<u>6,346,704</u>	At end of the year

Mutasi nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

Movement of fair value of plan assets during the year is as follows:

	2016 Rp	2015 Rp	
Pada awal tahun	7,030,467	7,211,829	At beginning of the year
Imbal hasil atas aset program	607,871	516,042	Return on plan assets
luran pemberi kerja	408,896	157,300	Employer's contributions
luran pekerja	70,737	70,380	Employee's contributions
Pembayaran manfaat	(642,745)	(505,831)	Benefit payment
Kerugian (keuntungan) aktuarial pada aset program	249,212	(419,253)	Actuarial loss (gain) on plan assets
	<u>7,724,438</u>	<u>7,030,467</u>	
Pada akhir tahun	<u>7,724,438</u>	<u>7,030,467</u>	At the end of the year

Aset program terdiri dari:

Plan assets comprise the following:

	2016				2015				
	Memiliki kuotasi harga/ Quoted Price Rp	Tidak memiliki kuotasi harga/ Unquoted Price Rp	Jumlah/ Total Rp	%	Memiliki kuotasi harga/ Quoted Price Rp	Tidak memiliki kuotasi harga/ Unquoted Price Rp	Jumlah/ Total Rp	%	
Surat Berharga Negara	1,283,965	--	1,283,965	16.62%	948,755	--	948,755	13.49%	Government bonds
Tabungan	--	10,550	10,550	0.14%	--	--	--	0.00%	Saving accounts
Deposito On Call	--	12,185	12,185	0.16%	--	59,750	59,750	0.85%	Deposits On Call
Deposito Berjangka	--	611,225	611,225	7.91%	--	547,266	547,266	7.78%	Time Deposits
Saham	789,298	--	789,298	10.22%	663,508	--	663,508	9.44%	Shares
Obligasi	2,653,659	--	2,653,659	34.35%	2,742,354	--	2,742,354	39.01%	Bonds
Sukuk	9,986	--	9,986	0.13%	--	--	--	0.00%	Sukuk
Unit Penyertaan									Mutual fund units
Reksa Dana	1,041,514	--	1,041,514	13.48%	1,021,522	--	1,021,522	14.53%	
Penempatan Langsung	--	401,001	401,001	5.19%	--	200,435	200,435	2.85%	Direct Investments
Tanah	--	78,274	78,274	1.01%	--	63,984	63,984	0.91%	Lands
Bangunan	--	418,488	418,488	5.42%	--	425,971	425,971	6.06%	Buildings
Tanah dan Bangunan	--	356,940	356,940	4.62%	--	290,429	290,429	4.13%	Land and Buildings
Lain-lain	--	57,353	57,353	0.75%	--	66,493	66,493	0.95%	Others
Total	<u>5,778,422</u>	<u>1,946,016</u>	<u>7,724,438</u>	<u>100%</u>	<u>5,376,139</u>	<u>1,654,328</u>	<u>7,030,467</u>	<u>100%</u>	Total

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Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2016 %	2015 %	
Tingkat diskonto	8,50%	9,16% - 9,20%	<i>Discount rate</i>
Tingkat kenaikan gaji per tahun	5,00%	5,35% - 8,30%	<i>Salary increase rate per annum</i>

Kontribusi yang diharapkan untuk program imbalan pascakerja untuk tahun yang berakhir pada 31 Desember 2017 adalah Rp131.294.

Expected contributions to post-employment benefit plans for the year ending December 31, 2017 are Rp131,294.

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

**Dampak atas kewajiban imbalan pasti/
Impact on defined benefit obligation**

	Perubahan asumsi/ <i>Change in Assumption</i>	Kenaikan asumsi/ <i>Increase in Assumption</i>	Penurunan asumsi/ <i>Decrease in Assumption</i>	
Tingkat diskonto	1%	Penurunan sebesar/ <i>Decrease by 1,81%</i>	Kenaikan sebesar/ <i>Increase by 2,04%</i>	<i>Discount rate</i>
Tingkat kenaikan gaji	1%	Kenaikan sebesar/ <i>Increase by 2,00%</i>	Penurunan sebesar/ <i>Decrease by 1,80%</i>	<i>Salary increase rate</i>
Tingkat mortalitas	1%	Penurunan sebesar/ <i>Decrease by 0,02%</i>	Kenaikan sebesar/ <i>Increase by 0,02%</i>	<i>Mortality rate</i>

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Imbalan perhitungan sensitivitas liabilitas kerja jangka panjang atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini liabilitas imbalan kerja jangka panjang dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam perhitungan liabilitas imbalan kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

The sensitivity analysis are based on a change in a single assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the long term benefits liabilities to significant actuarial assumptions, the same method (present value of the long term benefits liabilities calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the long term benefits liabilities recognized in the consolidated statement of financial position.

(ii) Imbalan Pascakerja Lainnya

Mutasi kewajiban imbalan pascakerja lainnya selama tahun berjalan adalah sebagai berikut:

(ii) Other Post-Employment Benefits

Movement of post-employment benefits obligation during the year is as follows:

	2016 Rp	2015 Rp	
Pada awal tahun	13,256,657	11,306,269	<i>At beginning of the year</i>
Dibebankan ke laba rugi			<i>Charged to profit or loss</i>
Biaya jasa kini	770,969	630,213	<i>Current service cost</i>
Biaya bunga	1,125,242	960,262	<i>Interest expense</i>
	<u>1,896,211</u>	<u>1,590,475</u>	

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	2016 Rp	2015 Rp	
Dibebankan ke penghasilan komprehensif lain: (Keuntungan) kerugian aktuarial dari:			<i>Charged to other comprehensive income:</i>
Perubahan asumsi demografik	81,563	283	<i>Actuarial (gain) loss from change in: Demographic assumptions</i>
Perubahan asumsi keuangan	579,633	650,453	<i>Financial assumptions</i>
Kombinasi perubahan asumsi	5,110	(109,319)	<i>Combination of change in assumptions</i>
Penyesuaian atas pengalaman	(722,359)	1,394,587	<i>Experience adjustment</i>
	<u>15,096,815</u>	<u>14,832,748</u>	
Pembayaran manfaat	(1,725,444)	(1,576,091)	<i>Benefit payment</i>
Pada akhir tahun	<u>13,371,371</u>	<u>13,256,657</u>	<i>At end of the year</i>

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2016 %	2015 %	
Tingkat diskonto	8,45%	9,10% - 9,19%	<i>Discount rate</i>
Tingkat kenaikan gaji per tahun	7,87%	5,35% - 11%	<i>Salary increase rate per annum</i>

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
Perubahan asumsi/ Change in Assumption	Kenaikan asumsi/ Increase in Assumption	Penurunan asumsi/ Decrease in Assumption	
Tingkat diskonto	1%	Penurunan sebesar/ Decrease by 6,31%	Kenaikan sebesar/ Increase by 7,38% <i>Discount rate</i>
Tingkat kenaikan biaya kesehatan di masa depan	1%	Kenaikan sebesar/ Increase by 7,16%	Penurunan sebesar/ Decrease by 6,23% <i>Medical inflation rate</i>
Tingkat mortalitas	1%	Penurunan sebesar/ Decrease by 0,72%	Penurunan sebesar/ Decrease by 0,72% <i>Mortality rate</i>

(iii) Imbalan Pemeliharaan Kesehatan

Perusahaan dan entitas anak memiliki beberapa skema imbalan pemeliharaan kesehatan pascakerja. Metode akuntansi, asumsi dan frekuensi penilaian adalah sama dengan yang digunakan dalam skema pensiun imbalan pasti.

(iii) Health Care Benefits

The Company and its subsidiaries operate a number of post-employment health care benefit schemes. The accounting method, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes.

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

Movement of defined benefit obligation over the year is as follows:

	2016 Rp	2015 Rp	
Pada awal tahun	25,969,297	31,297,368	<i>At beginning of the year</i>
Dibebankan ke laba rugi:			<i>Charged to profit or loss:</i>
Biaya jasa kini	367,427	802,690	<i>Current service cost</i>
Biaya bunga	2,340,756	2,677,339	<i>Interest expense</i>
	<u>2,708,183</u>	<u>3,480,029</u>	

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	2016 Rp	2015 Rp	
Dibebankan ke penghasilan komprehensif lain: (Keuntungan)/ kerugian aktuarial dari:			Charged to other comprehensive income:
Perubahan asumsi demografik	543,568	(15,389)	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	2,290,814	(13,878,086)	Financial assumptions
Kombinasi perubahan asumsi	69,696	1,366,344	Combination of change in assumptions
Penyesuaian atas pengalaman	(588,674)	4,392,763	Experience adjustment
	30,992,884	26,643,029	
Pembayaran manfaat	(840,143)	(673,732)	Benefit payment
Pada akhir tahun	30,152,741	25,969,297	At end of the year

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2016 %	2015 %	
Tingkat diskonto	8.50%	9,09% - 9,20%	Discount rate
Tingkat kenaikan gaji per tahun	7.50%	5,35% - 8,30%	Salary increase rate per annum
Tingkat kenaikan biaya kesehatan jangka panjang	6.00%	6.00%	Long-term increase rate in health costs

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in Assumption	Kenaikan asumsi/ Increase in Assumption	Penurunan asumsi/ Decrease in Assumption
Tingkat diskonto	1%	Penurunan sebesar/ Decrease by 11,15%	Kenaikan sebesar/ Increase by 13,65% Discount rate
Tingkat kenaikan biaya kesehatan di masa depan	1%	Kenaikan sebesar/ Increase by 10,70%	Penurunan sebesar/ Decrease by 8,93% Health costs increase rate
Tingkat mortalitas	1%	Penurunan sebesar/ Decrease by 0,57%	Kenaikan sebesar/ Increase by 0,58% Mortality rate

(iv) Imbalan Kerja Jangka Panjang Lainnya

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

(iv) Other Long-term Employee Benefits

Movement of defined benefit obligation during the year is as follows:

	2016 Rp	2015 Rp	
Pada awal tahun	1,001,182	1,175,404	At beginning of the year
Dibebankan ke laba rugi			Charged to profit or loss
Biaya jasa kini	299,056	265,396	Current service cost
Biaya bunga	74,581	98,339	Interest expense
	373,637	363,735	
Pengukuran kembali program imbalan pasti dibebankan ke laba rugi: (Keuntungan) kerugian aktuarial dari:			Remeasurement on defined benefit plan charged to profit or loss:
Perubahan asumsi demografik	67	174	Actuarial (gain) loss from change in: Demographic assumptions
Perubahan asumsi keuangan	14,237	8,431	Financial assumptions
Kombinasi perubahan asumsi	(1)	5,596	Combination of change in assumptions
Penyesuaian atas pengalaman	(58,245)	(192,286)	Experience adjustment
	1,330,877	1,361,054	
Pembayaran manfaat	(368,425)	(359,872)	Benefit payment
Pada akhir tahun	962,452	1,001,182	At end of the year

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Asumsi aktuarial utama yang digunakan
adalah sebagai berikut:

*The principal actuarial assumptions used
were as follows:*

	2016 %	2015 %	
Tingkat diskonto	8.44%	9.10% - 9.19%	<i>Discount rate</i>
Tingkat kenaikan gaji per tahun	7.66%	5.35% - 8.30%	<i>Salary increase rate per annum</i>

Sensitivitas dari kewajiban imbalan pasti
terhadap perubahan asumsi aktuarial
utama adalah sebagai berikut:

*The sensitivity of the defined benefit
obligation to changes in the weighted
principal assumptions is as follows:*

Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
Perubahan asumsi/ Change in Assumption	Kenaikan asumsi/ Increase in Assumption	Penurunan asumsi/ Decrease in Assumption	
Tingkat Diskonto	1%	Penurunan sebesar/ Decrease by 2,19%	<i>Discount rate</i>
Tingkat Kenaikan biaya kesehatan di masa depan	1%	Kenaikan sebesar/ Increase by 2,20%	<i>Medical inflation rate</i>
Tingkat Mortalitas	1%	Penurunan sebesar/ Decrease by 0%	<i>Mortality rate</i>

Perusahaan dan entitas anak terekspos
dengan beberapa risiko melalui program
imbalan pasti dan program kesehatan
pascakerja. Risiko yang paling signifikan
adalah sebagai berikut:

*The Company and its subsidiaries are
exposed to a number of risks through its
defined benefit pension plans and post-
employment medical plans. The most
significant risks are as follows:*

Volatilitas aset

Liabilitas program dihitung menggunakan
tingkat diskonto yang merujuk kepada
tingkat imbal hasil surat utang negara. Jika
imbal hasil aset program lebih rendah,
maka akan menghasilkan defisit program.

Asset volatility

*The plan liabilities are calculated using a
discount rate set with reference to
government bond yields. If the yield of
plan assets is lower, it will generate a
deficit program.*

Harapan umur hidup

Sebagian besar dari liabilitas program
menyediakan manfaat seumur hidup,
sehingga kenaikan harapan umur hidup
akan mengakibatkan kenaikan liabilitas
program.

Life expectancy

*The majority of the plans' obligations are
to provide lifetime benefit, so that the
increase in life expectancy will result in an
increase in the plans' liabilities.*

Investasi didiversifikasi dengan baik,
sehingga kinerja buruk satu investasi tidak
akan memberikan dampak material bagi
seluruh kelompok aset. Proporsi terbesar
aset investasi ditempatkan pada instrumen
utang, meskipun Perusahaan dan entitas
anak juga berinvestasi pada properti,
obligasi, reksadana dan kas. Perusahaan
dan entitas anak meyakini bahwa
instrumen ekuitas memberikan imbal hasil
yang paling baik dalam jangka panjang
pada tingkatan risiko yang dapat diterima.

*Investments are well-diversified, such that
the failure of any single investment would
not have a material impact for the entire
class of assets. The largest proportion of
assets is invested in debt instruments,
although the Company and its
subsidiaries also invest in property,
bonds, mutual funds and cash. The
Company and its subsidiaries believe that
equities offer the best returns over the
long term with an acceptable level of risk.*

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Rata-rata ekspektasi sisa masa kerja
adalah 20,46 tahun.

Average expected remaining service year
is 20,46 year.

Analisis jatuh tempo yang diharapkan dari
imbalan pascakerja dan imbalan jangka
panjang lainnya yang tidak terdiskonto
adalah sebagai berikut:

Expected maturity analysis of
undiscounted post-employment benefit
and other long-term benefit is as follows:

	Kurang dari 1 tahun/ Less than 1 year Rp	2 sampai 5 tahun/ Between 2 to 5 years Rp	Lebih dari 5 tahun/ Over 5 years Rp	Jumlah/ Total Rp	
Imbalan paska kerja					Post-employment benefits
Program pensiun	568,004	1,366,134	9,443,181	11,377,319	Pension plan
Imbalan pemeliharaan kesehatan	960,224	2,569,204	70,635,238	74,164,666	Health care benefits
Imbalan paska kerja lainnya	1,680,639	6,073,543	143,964,926	151,719,108	Other post-employment benefit
Imbalan kerja jangka panjang lainnya	194,178	921,960	425,357	1,541,495	Other long-term employee benefit
Jumlah	3,403,045	10,930,841	224,468,702	238,802,588	Total

Jumlah liabilitas dan beban imbalan kerja
pada dan untuk tahun 2016 dan 2015
diestimasi berdasarkan perhitungan
aktuaris PT Binaputera Jaga Hikmah.

Total liabilities and expenses of employee
benefits as of and for years 2016 and
2015 were estimated based on calculation
of actuary PT Binaputera Jaga Hikmah.

50. Transaksi Non-Kas

50. Non-Cash Transactions

	2016 Rp	2015 Rp	
Aktivitas investasi dan pendanaan yang tidak mempengaruhi kas :			Noncash investing and financing activities :
Perolehan pekerjaan dalam pelaksanaan melalui :			Additions to construction in progress through :
Penarikan pinjaman dan utang biaya proyek	1,855,825	2,871,885	Drawdown of loans and project cost payable
Bantuan Pemerintah	2,596,132	1,678,761	Government equity participation
Kapitalisasi biaya pinjaman	242,936	1,390,684	Capitalization of borrowing costs
Kapitalisasi beban penyusutan	16,512	8,571	Capitalization of depreciation expense
Mutasi Utang lain-lain	(1,281,216)	2,963,801	Movement of other payables
Mutasi aset tidak lancar lainnya	217,363	--	Movement of other non current assets
Pembayaran pajak revaluasi aset melalui subsidi listrik Pemerintah	13,529,921	3,000,000	Tax payment on asset revaluation through Government's electricity subsidy
Penambahan ventura bersama melalui reklasifikasi aset tidak lancar lain	--	20,403	Addition of joint venture through reclassification from non-current assets
Penambahan nilai aset melalui hasil revaluasi dan kenaikan nilai wajar properti investasi	104,196	653,441,219	Addition of value of assets through revaluation and increase of fair value of investment properties
Deklarasi aset pengampunan pajak	94,504	--	Declaration of tax amnesty assets
Pengakuan tanah hibah	820,906	--	Recognition of land grants

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51. Sifat dan Transaksi dengan Pihak Berelasi

**51. Nature of Relationships and Transactions
with Related Parties**

Sifat Hubungan Berelasi

- a. Pemerintah dalam hal ini adalah Menteri Keuangan Republik Indonesia yang merupakan pemegang saham Perusahaan dan BUMN.
- b. Perusahaan mempunyai hubungan berelasi dengan BUMN lainnya yang dimiliki bersama oleh Menteri Keuangan.
- c. Perusahaan dan entitas anak mempunyai pengaruh signifikan atas investasi pada entitas asosiasi atau ventura bersama (Catatan 8).
- d. Dewan Komisaris dan Direksi merupakan personil manajemen kunci Perusahaan dan entitas anak.

Nature of Related Parties

- a. The Government is the Minister of Finance of the Republic of Indonesia, the shareholder of the Company and SOE.
- b. The Company is related to other SOE owned by the Minister of Finance.
- c. The Company and its subsidiaries have significant influence on investments in associates or joint ventures (Note 8).
- d. The Board of Commissioners and Directors is a member of the key management of the Company and its subsidiaries.

Berikut ini adalah daftar pihak berelasi yang memiliki transaksi dengan Perusahaan:

Below is the list of related parties with which the Company has transactions:

Pihak-pihak berelasi/ <i>Related parties</i>	Sifat hubungan/ <i>Nature of relationship</i>	Sifat transaksi/ <i>Nature of transaction</i>
Pemerintah Republik Indonesia/ <i>Government of Republic of Indonesia</i> (“Pemerintah”)	Pemegang saham akhir/ <i>Ultimate Shareholder</i>	Penerimaan subsidi listrik, penerimaan penerusan pinjaman, dan utang kepada pemerintah/ <i>Receipt of electricity subsidy, two step loan and government loan</i>
PT Bank Rakyat Indonesia (Persero) Tbk (“Bank Rakyat Indonesia”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas, rekening bank dan deposito yang dibatasi penggunaannya, investasi jangka pendek, dan penerimaan utang bank/ <i>Placement of cash and cash equivalents, restricted cash in bank and time deposits, short-term investment, and receipt of bank loans</i>
PT Bank Mandiri (Persero) Tbk (“Bank Mandiri”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas, investasi jangka pendek, dan penerimaan utang bank/ <i>Placement of restricted cash in bank and time deposit, cash and cash equivalents, short-term investment, and receipt of bank loans</i>
PT Bank Negara Indonesia (Persero) Tbk (“Bank Negara Indonesia”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas, dan penerimaan utang bank/ <i>Placement of restricted cash in bank and time deposit, cash and cash equivalents, and receipt of bank loans</i>
PT Bank DKI (“Bank DKI”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas dan penerimaan utang bank/ <i>Placement of cash and cash equivalents and receipt of bank loans</i>
PT Bank Tabungan Negara (Persero) Tbk (“Bank Tabungan Negara”)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penempatan kas dan setara kas <i>Placement of cash and cash equivalents</i>
PT Wijaya Karya - Navigat	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Pertamina Geothermal Energy	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>

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PT Wijaya Karya - Mirlindo Padu Kencana	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Pertamina (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar dan minyak pelumas/ <i>Purchase of fuels and lubricants</i>
PT Tambang Batubara Bukit Asam (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Perusahaan Gas Negara (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Wijaya Karya (Persero) Tbk	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi jasa konstruksi/ <i>Construction services transaction</i>
PT Transportasi Gas Indonesia	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi jasa transportasi gas untuk unit bisnis/ <i>Gas transportation services transaction at business units</i>
PT Nusantara Regas	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian bahan bakar/ <i>Purchase of fuels</i>
PT Surveyor Indonesia	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pelayanan teknik, survei dan pengukuran batubara/ <i>Engineering services, survey and coal measurement</i>
PT Sucofindo (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pelayanan teknik, survei dan pengukuran batubara/ <i>Engineering services, survey and coal measurement</i>
PT Jakarta Lloyd (Persero)	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi jasa transportasi bahan bakar dan batubara/ <i>Fuels and coals transportation services transaction</i>
PT Asuransi Jasa Indonesia	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Asuransi bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi serta kapal milik Perusahaan/ <i>Insurance services for Company's buildings, installation and power plant, transmission equipment and vessels</i>
Perum Jasa Tirta	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Sarana Multi Infrastruktur	Pengendalian melalui Pemerintah Republik Indonesia/ <i>Control through the Government of the Republic of Indonesia</i>	Penerimaan utang dari lembaga keuangan pemerintah nonbank/ <i>Receipt of non-bank government financial institution</i>
PT Geo Dipa Energi	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Tanjung Kasam Power	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Dalle Energy Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Mitra Energi Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Sumber Segara Primadaya	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Bajradaya Sentranusa	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Komipo Pembangkitan Jawa Bali	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik dan pemberian pinjaman jangka panjang/ <i>Purchase of electricity and issuance of long-term loan</i>

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PT Bukit Pembangkit Innovative	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Shenhua Gouhua Pembangkitan Jawa Bali	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Purchase of electricity</i>
PT Perta Daya Gas	Ventura bersama/ <i>Joint venture</i>	Pemberian pinjaman jangka panjang/ <i>Issuance of long-term loan</i>
Dana pensiun PLN	Program imbalan pascakerja/ <i>Post-employment benefit plan</i>	Pembayaran kontribusi program manfaat pasti/ <i>Payment of contribution for defined benefit plan</i>

Saldo dan Transaksi dengan Pihak Berelasi

Balances and Transactions with Related Parties

	Catatan/ <i>Notes</i>	2016		2015		
		Rp	% *)	Rp	% *)	
Piutang pihak berelasi	9					<i>Receivables from related parties</i>
PT Perta Daya Gas		260,085	0.02%	293,369	0.02%	<i>PT Perta Daya Gas</i>
PT Komipo Pembangkitan Jawa Bali		16,747	0.00%	22,329	0.00%	<i>PT Komipo Pembangkitan Jawa Bali</i>
PT Tanjung Kasam Power		12,465	0.00%	23,935	0.00%	<i>PT Tanjung Kasam Power</i>
PT Dalle Energy Batam		9,632	0.00%	--	0.00%	<i>PT Dalle Energy Batam</i>
PT Mitra Energi Batam		683	0.00%	683	0.00%	<i>PT Mitra Energi Batam</i>
Sub jumlah		299,612	0.02%	340,316	0.02%	<i>Subtotal</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	10					<i>Restricted cash in banks and time deposits</i>
Bank Mandiri		12,159	0.00%	14,345	0.00%	<i>Bank Mandiri</i>
Bank Negara Indonesia		1,269	0.00%	777	0.00%	<i>Bank Negara Indonesia</i>
Sub jumlah		13,428	0.00%	15,122	0.00%	<i>Subtotal</i>
Kas dan setara kas	12					<i>Cash and cash equivalents</i>
Bank Rakyat Indonesia		13,864,019	1.09%	9,632,824	0.73%	<i>Bank Rakyat Indonesia</i>
Bank Mandiri		10,892,432	0.85%	4,431,149	0.34%	<i>Bank Mandiri</i>
Bank Negara Indonesia		10,669,987	0.84%	4,109,475	0.31%	<i>Bank Negara Indonesia</i>
Bank Tabungan Negara		1,003,076	0.08%	2,898	0.00%	<i>Bank Tabungan Negara</i>
Bank DKI		761,487	0.06%	968,905	0.07%	<i>Bank DKI</i>
Sub jumlah		37,191,001	2.92%	19,145,251	1.45%	<i>Subtotal</i>
Investasi jangka pendek	13					<i>Short-term investment</i>
Bank Rakyat Indonesia		367,200	0.03%	50,000	0.00%	<i>Bank Rakyat Indonesia</i>
Bank Mandiri		--	0.00%	66,150	0.01%	<i>Bank Mandiri</i>
Sub jumlah		367,200	0.03%	116,150	0.01%	<i>Subtotal</i>
Piutang usaha	14					<i>Trade account receivables</i>
Badan Usaha Milik Negara		568,123	0.04%	571,894	0.04%	<i>State-Owned Enterprises</i>
Piutang subsidi listrik	15					<i>Receivables on electricity subsidy</i>
Pemerintah Republik Indonesia		12,446,110	0.98%	17,501,009	1.33%	<i>Government of Republic of Indonesia</i>
Jumlah		50,885,474	3.99%	37,689,742	2.85%	Total
Penerusan pinjaman	23					<i>Two-step loans</i>
Utang kepada Pemerintah dan lembaga keuangan Pemerintah nonbank	24					<i>Government and non-bank Government financial institution loans</i>
Utang sewa pembiayaan	25					<i>Lease liabilities</i>
PT Sumber Segara Primadaya		--	0.00%	7,342,528	1.44%	<i>PT Sumber Segara Primadaya</i>
PT Geo Dipa Energi		--	0.00%	1,560,552	0.31%	<i>PT Geo Dipa Energi</i>
PT Tanjung Kasam Power		--	0.00%	1,180,767	0.23%	<i>PT Tanjung Kasam Power</i>
PT Dalle Energy Batam		--	0.00%	684,448	0.13%	<i>PT Dalle Energy Batam</i>
PT Mitra Energi Batam		--	0.00%	90,886	0.02%	<i>PT Mitra Energi Batam</i>
PT Bajradaya Sentranusa Asahan		--	0.00%	4,745,768	0.93%	<i>PT Bajradaya Sentranusa Asahan</i>
PT Bukit Pembangkit Innovative		--	0.00%	3,179,676	0.62%	<i>PT Bukit Pembangkit Innovative</i>
PT Pertamina Geothermal Energi		--	0.00%	1,713,522	0.34%	<i>PT Pertamina Geothermal Energi</i>
PT Wijaya Karya - Navigat		--	0.00%	481,777	0.09%	<i>PT Wijaya Karya - Navigat</i>
PT Wijaya Karya - Mirindo Padu Kencana		--	0.00%	352,108	0.07%	<i>PT Wijaya Karya - Mirindo Padu Kencana</i>
Subjumlah		--	0.00%	21,332,032	4.18%	<i>Subtotal</i>
Utang bank dan surat utang jangka menengah	26					<i>Bank loans and medium term notes</i>
Bank Rakyat Indonesia		37,181,302	9.90%	17,249,819	3.39%	<i>Bank Rakyat Indonesia</i>
Bank Negara Indonesia		22,628,291	6.02%	11,571,199	2.27%	<i>Bank Negara Indonesia</i>
Bank Mandiri		12,234,270	3.26%	7,357,554	1.44%	<i>Bank Mandiri</i>
Bank DKI		3,006,321	0.80%	3,513,394	0.69%	<i>Bank DKI</i>
Sub jumlah		75,050,184	19.98%	39,691,966	7.79%	<i>Subtotal</i>

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	Catatan/ Notes	2016		2015		
		Rp	% *)	Rp	% *)	
Utang pihak berelasi	29					Payable to related parties
PT Dalle Energy Batam		2,301	0.00%	370	0.00%	PT Dalle Energy Batam
PT Mitra Energi Batam		--	0.00%	2,196	0.00%	PT Mitra Energi Batam
Sub jumlah		2,301	0.00%	2,566	0.00%	Subtotal
Utang usaha	30					Trade payables
PT Pertamina (Persero)		4,109,919	1.09%	6,414,466	1.26%	PT Pertamina (Persero)
PT Nusantara Regas		678,945	0.18%	329,104	0.06%	PT Nusantara Regas
PT Tambang Batubara Bukit Asam Tbk		651,321	0.17%	663,328	0.13%	PT Tambang Batubara Bukit Asam Tbk
PT Sumber Segara Primadaya		624,837	0.17%	345,907	0.07%	PT Sumber Segara Primadaya
PT Perusahaan Gas Negara (Persero) Tbk		451,037	0.12%	312,389	0.06%	PT Perusahaan Gas Negara (Persero) Tbk
Perum Jasa Tirta		202,558	0.05%	74,266	0.01%	Perum Jasa Tirta
PT Tanjung Kasam Power		72,484	0.02%	92,224	0.02%	PT Tanjung Kasam Power
PT Bajradaya Sentranusa		61,743	0.02%	97,701	0.02%	PT Bajradaya Sentranusa
PT Geo Dipa Energi		58,165	0.02%	63,504	0.01%	PT Geo Dipa Energi
PT Dalle Energy Batam		49,830	0.01%	55,233	0.01%	PT Dalle Energy Batam
PT Pertamina Geothermal Energy		31,002	0.01%	257,063	0.05%	PT Pertamina Geothermal Energy
PT Komipo Pembangkitan Jawa Bali		19,712	0.01%	133,819	0.03%	PT Komipo Pembangkitan Jawa Bali
PT Mitra Energi Batam		16,641	0.00%	15,822	0.00%	PT Mitra Energi Batam
PT Wijaya Karya		11,393	0.00%	2,762	0.00%	PT Wijaya Karya
PT Sucofindo (Persero)		5,832	0.00%	5,798	0.00%	PT Sucofindo (Persero)
PT Jakarta Lloyd (Persero)		3,646	0.00%	22,218	0.00%	PT Jakarta Lloyd (Persero)
PT Surveyor Indonesia		2,130	0.00%	3,706	0.00%	PT Surveyor Indonesia
PT Transportasi Gas Indonesia		--	0.00%	4,857	0.00%	PT Transportasi Gas Indonesia
Lain-lain (dibawah 5% dari jumlah utang usaha)		721,498	0.19%	16,271	0.00%	Others (below 5% of total trade accounts payable)
Sub jumlah		7,772,693	2.06%	8,910,438	1.73%	Subtotal
Biaya masih harus dibayar	33					Accrued expenses
Penerusan pinjaman		235,460	0.06%	219,259	0.04%	Two-step loans
Utang bank						Bank loans
Bank Rakyat Indonesia		193,422	0.05%	138,365	0.03%	Bank Rakyat Indonesia
Bank Negara Indonesia		140,797	0.04%	54,357	0.01%	Bank Negara Indonesia
Bank Mandiri		109,126	0.03%	168,748	0.03%	Bank Mandiri
Bank DKI		4,251	0.00%	--	0.00%	Bank DKI
Utang usaha pembelian BBM		19,713	0.01%	18,572	0.00%	Trade accounts payable on purchase of fuel
Utang kepada Pemerintah dan lembaga keuangan Pemerintah nonbank		119,640	0.03%	114,460	0.02%	Government and non-bank Government financial institution loans
Subjumlah		822,409	0.22%	713,761	0.13%	Subtotal
Jumlah		123,645,278	32.91%	110,849,832	21.72%	Total
Penjualan tenaga listrik	36					Sale of electricity
Badan Usaha Milik Negara		5,091,201	2.38%	5,398,588	2.57%	State-Owned Enterprises
Subsidi listrik Pemerintah	37	60,441,520	100%	56,552,532	100.00%	Government's electricity subsidy
Beban bahan bakar dan pelumas	39					Fuel and lubricants expense
PT Pertamina (Persero)		22,581,839	20.62%	45,924,873	33.18%	PT Pertamina (Persero)
PT Nusantara Regas		8,299,203	7.58%	10,656,308	7.70%	PT Nusantara Regas
PT Perusahaan Gas Negara (Persero) Tbk		7,347,673	6.71%	13,747,818	9.93%	PT Perusahaan Gas Negara (Persero) Tbk
PT Tambang Batubara Bukit Asam Tbk		4,373,538	3.99%	6,723,120	4.86%	PT Tambang Batubara Bukit Asam Tbk
Jumlah		42,602,253	38.90%	77,052,119	55.67%	Total
Beban pembelian tenaga listrik	40					Purchased electricity expenses
PT Sumber Segara Primadaya		3,281,618	5.49%	--	0.00%	PT Sumber Segara Primadaya
PT Pertamina Geothermal Energy		316,737	1.53%	--	0.00%	PT Pertamina Geothermal Energy
PT Bajradaya Sentranusa		775,713	1.30%	--	0.00%	PT Bajradaya Sentranusa
PT Geo Dipa Energi		589,986	0.99%	--	0.00%	PT Geo Dipa Energi
PT Dalle Energy Batam		545,847	0.91%	--	0.00%	PT Dalle Energy Batam
PT Bukit Pembangkit Innovative		444,259	0.74%	--	0.00%	PT Bukit Pembangkit Innovative
Jumlah		5,954,160	10.96%	--	0.00%	Total
Beban pemeliharaan	42					Maintenance expenses
PT Komipo Pembangkitan Jawa Bali		216,560	1.02%	204,103	0.93%	PT Komipo Pembangkitan Jawa Bali
Beban usaha lain-lain						Other operating expenses
Asuransi						Insurance
PT Asuransi Jasa Indonesia	44	270,828	3.72%	712,967	10.06%	PT Asuransi Jasa Indonesia
PT Sucofindo (Persero)		37,587	0.52%	9,715	0.14%	PT Sucofindo (Persero)
PT Surveyor Indonesia		6,195	0.09%	49,636	0.70%	PT Surveyor Indonesia
Jumlah		314,610	4.33%	772,318	10.90%	Total
Beban keuangan	45					Finance cost
Utang bank dan surat utang jangka menengah		3,774,489	20.18%	2,803,534	7.01%	Bank loans and medium term notes
Penerusan pinjaman		633,599	3.39%	564,820	1.41%	Two-step loans
Utang kepada Pemerintah		558,962	2.99%	569,073	1.42%	Government loans
Instrumen derivatif		105,215	0.56%	--	0.00%	Derivative instruments
Utang sewa pembiayaan		--	0.00%	3,065,008	7.67%	Lease liabilities
Utang usaha pembelian bahan bakar		--	0.00%	17,133	0.04%	Trade accounts payable on purchase of fuel
Jumlah		5,072,265	27.12%	7,019,568	17.55%	Total

*) Persentase terhadap jumlah aset/ liabilitas/ pendapatan/
beban yang bersangkutan

*) Percentage to related total assets/ liabilities/ revenues/
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Jumlah kompensasi Dewan Komisaris Perusahaan untuk tahun 2016 dan 2015 masing-masing sebesar Rp48.654 dan Rp16.303.

Total compensation of the Company's Board of Commissioners for 2016 and 2015 amounted to Rp48,654 and Rp16,303, respectively.

Jumlah kompensasi Direksi Perusahaan untuk tahun 2016 dan 2015 masing-masing sebesar Rp116.170 dan Rp34.737.

Total compensation of the Company's Directors for 2016 and 2015 amounted to Rp116,170 and Rp34,737, respectively.

Seluruh kompensasi kepada Dewan Komisaris dan Direksi Perusahaan merupakan imbalan kerja jangka pendek.

All the compensation to the Company's Board of Commissioners and Directors represent short-term employee benefits.

Informasi mengenai kontribusi yang dilakukan Perusahaan dan entitas anak ke DP-PLN diungkapkan di Catatan 49.

Information about the contributions made by the Company and its subsidiaries to DP- PLN is disclosed in Note 49.

52. Aset dan Liabilitas Moneter Dalam Mata Uang Asing

52. Monetary Assets and Liabilities Denominated In Foreign Currencies

Pada tanggal 31 Desember 2016 dan 2015, Perusahaan dan entitas anak mempunyai aset dan liabilitas moneter dalam mata uang asing sebagai berikut:

As of December 31, 2016 and 2015, the Company and its subsidiaries had monetary assets and liabilities in foreign currencies as follows:

	2016				
	JPY *)	US\$ *)	EUR *)	Lain-lain/ Others **)	
Aset moneter					Monetary assets
Piutang pihak berelasi	--	18,897,451	--	--	<i>Receivables from related parties</i>
Rekening dan deposito berjangka dibatasi penggunaannya	58,900,167,541	44,922,075	--	--	<i>Restricted cash in banks and time deposits</i>
Kas dan setara kas	1,222,842,324	178,504,121	7,299,106	457,750	<i>Cash and cash equivalents</i>
Jumlah aset moneter	60,123,009,865	242,323,647	7,299,106	457,750	<i>Total monetary assets</i>
Liabilitas moneter					Monetary liabilities
Penerusan pinjaman	179,894,874,250	753,977,435	39,752,290	13,203,171	<i>Two-step loans</i>
Utang sewa pembiayaan	188,227,714,907	--	--	--	<i>Lease liability</i>
Utang bank	--	2,989,065,968	142,625,503	--	<i>Bank loans</i>
Utang obligasi	--	5,000,000,000	--	--	<i>Bonds payable</i>
Utang listrik swasta	--	568,927,136	--	--	<i>Electricity purchase payable</i>
Utang lain-lain	--	418,912,416	47,445,212	8,189,434	<i>Other payables</i>
Utang biaya proyek	59,509,492	19,387,543	3,362,440	--	<i>Project cost payable</i>
Utang usaha	31,991,723	416,862,980	10,972,386	5,081,646	<i>Trade payables</i>
Biaya masih harus dibayar	4,198,343,675	113,279,119	1,136,639	138,506	<i>Accrued expenses</i>
Jumlah liabilitas moneter	372,412,434,047	10,280,412,597	245,294,470	26,612,757	<i>Total monetary liabilities</i>
Liabilitas moneter bersih	(312,289,424,182)	(10,038,088,950)	(237,995,364)	(26,155,007)	<i>Net monetary liabilities</i>
Ekuivalen Rupiah (dalam jutaan)	(36,039,714)	(134,871,763)	(3,370,383)	(351,419)	<i>Rupiah equivalent (in millions)</i>
Jumlah dalam Rupiah - bersih (dalam jutaan)	(174,633,279)				Total in Rupiah - net (in millions)

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	2015				
	JPY *)	US\$ *)	EUR *)	Lain-lain/ Others **)	
Aset moneter					Monetary assets
Piutang pihak berelasi	--	20,999,242	--	--	Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	71,257,878,838	44,444,701	--	--	Restricted cash in banks and time deposits
Kas dan setara kas	645,274,365	177,856,702	18,823,038	472,008	Cash and cash equivalents
Jumlah aset moneter	71,903,153,203	243,300,645	18,823,038	472,008	Total monetary assets
Liabilitas moneter					Monetary liabilities
Penerusan pinjaman	188,308,922,095	641,786,711	56,768,573	17,343,893	Two-step loans
Utang sewa pembiayaan	218,313,885,386	9,265,847,094	--	--	Lease liability
Utang bank	--	2,737,632,476	91,422,114	--	Bank loans
Utang obligasi dan sukuk ijarah	--	5,550,000,000	--	--	Bonds payable and sukuk ijarah
Utang listrik swasta	--	536,746,497	--	--	Electricity purchase payable
Utang lain-lain	899,991,211	476,854,332	--	23,088,267	Other payables
Utang biaya proyek	392,338,505	61,394,118	7,915,591	--	Project cost payable
Utang usaha	--	333,184,447	1,747,171	--	Trade payables
Biaya masih harus dibayar	4,930,820,534	279,346,037	1,015,374	172,667	Accrued expenses
Jumlah liabilitas moneter	412,845,957,731	19,882,791,712	158,868,823	40,604,827	Total monetary liabilities
Liabilitas moneter bersih	(340,942,804,528)	(19,639,491,067)	(140,045,785)	(40,132,819)	Net monetary liabilities
Ekuivalen Rupiah (dalam jutaan)	(39,046,202)	(270,926,779)	(2,110,445)	(553,632)	Rupiah equivalent (in millions)
Jumlah dalam Rupiah - bersih (dalam jutaan)	(312,637,058)				Total in Rupiah - net (in millions)

*) Dalam jumlah penuh
**) Aset dan liabilitas dalam mata uang asing lainnya disajikan setara US\$ dengan menggunakan kurs tanggal pelaporan

*) In full amount
**) Assets and liabilities denominated in other foreign currencies are presented as US\$ equivalent using the exchange rate prevailing at the reporting date

Sehubungan dengan fluktuasi kurs mata uang Rupiah terhadap mata uang asing, Perusahaan dan entitas anak mencatat laba kurs mata uang asing bersih sebesar Rp4.195.210 untuk tahun 2016 dan rugi kurs sebesar Rp27.326.131 untuk tahun 2015.

In relation to the fluctuation of the Rupiah against foreign currencies, the Company and its subsidiaries recorded net gain on foreign exchange of Rp4,195,210 for 2016 and net loss amounted to Rp27,326,131 for 2015.

Apabila aset dan liabilitas dalam mata uang asing pada tanggal 31 Desember 2016 dijabarkan dengan menggunakan kurs penutupan mata uang asing pada tanggal 8 Januari 2018, maka liabilitas bersih dalam mata uang asing Perusahaan dan entitas anak akan mengalami peningkatan sebesar Rp1.016.358.

If assets and liabilities in foreign currencies as of December 31, 2016 had been translated using the closing rates at issuance of January 8, 2018, the total net foreign currency liabilities of the Company and its subsidiaries would have been increased by Rp1,016,358.

53. Segmen Operasi

Informasi Wilayah Geografis

Segmen operasi disusun sesuai dengan kebijakan akuntansi yang dianut dalam penyusunan dan penyajian laporan keuangan konsolidasian.

Untuk tujuan pelaporan manajemen, pada tanggal 31 Desember 2016 dan 2015, Perusahaan dan entitas anak dibagi dalam operasi geografis Sumatera, Jawa-Bali, Kalimantan, Sulawesi dan Nusa Tenggara, dan Maluku Papua. Operasi geografis tersebut

53. Operating Segment

Geographical Information

The operating segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements.

For management reporting purposes, as of December 31, 2016 and 2015, the Company and its subsidiaries were divided into Sumatera, Java-Bali, Kalimantan, Sulawesi and Nusa Tenggara and Maluku Papua. These geographical operations are the basis

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Sektor/ Sector	Pemasok/ Supplier	Periode/ Period	Satuan/ Unit	Kuantitas/ Quantity ^{e)}
Gresik	PGN SAKA eks Hess Ltd.	2006-2026	mmscf	440,000
Pekanbaru	EMP Bentu Ltd. ^{g)}	2007-2021	bbtu	128,619
Keramasan	PT Pertamina EP	2010-2020	bbtu	27,375
Payo Selincah	PT Energasindo Heksa Karya	2009-2018	bbtu	104,002
Tanjung Batu	PT Pertamina (Persero), Semco (TAC)	2005-2017	bbtu	247,967
Tarakan	PT Pertamina EP	2012-2017	bbtu	3,359
Bontang	Total E&P Indonesia, INPEX Co.	2009-2017	bbtu	681
Batam	PT Perusahaan Gas Negara (Persero) Tbk	2004-2019	bbtu	72,270
Tanjung Priok	PT Perusahaan Gas Negara (Persero) Tbk	2012-2016	bbtu	21,870
Grati	d) Lapangan Oyong	2009-2017	bbtu	116,070
Talang Duku	PT Perusahaan Gas Negara (Persero) Tbk	2009-2019	bbtu	21,000
Sungai Gelam	PT Pertamina EP	2011-2017	mmscf	8,434
Bangkalanai	Ophir Indonesia (Bangkalanai) Ltd. ^{h)}	2013-2032	bbtu	130,000
Sengkang	Energy Equity Epic (Sengkang) Pty Ltd.	2012-2022	bbtu	51,945
Muara Tawar	PT Pertamina EP	2010-2016	bbtu	61,281
Tambak Lorok	PT Sumber Petrindo Perkasa	2011-2022	bbtu	219,000
Grati	d) Lapangan Wortel	2012-2018	bbtu	55,827
Batam	Premier Oil Natuna Sea B.V.; Natuna 1 B.V.; Natuna 2 B.V.; KUFPEC Indonesia (Natuna) B.V.	2011-2022	bbtu	280,100
Grati	PT Sampang Mandiri Perkasa	2012-2019	bbtu	31,793
Grati	PT Pasuruan Migas	2012-2019	bbtu	5,911
Jakabaring (CNG)	PDPDE Prov Sumatera Selatan	2013-2020	bbtu	8,340
Tambak Lorok	PC Muriah Ltd.	2014-2026	bbtu	354,780
Melibur	Kondur Petroleum S.A.	2012-2020	bbtu	831
Nunukan	PT Pertamina EP	2012-2018	mmscf	4,200
Sungai Gelam	PT Pertamina EP (Own Operation UBEP Jambi)	2012-2017	mmscf	3,500
Sanga Sanga (CBM)	Virginia Indonesia Co. CBM Ltd.	2012-2019	mmscf	366
Muara Karang - Priok (LNG)	PT Nusantara Regas	2012-2022	Juta Ton	11
Tanjung Selor	Perusda Nusa Serambi Persada	2013-2024	bbtu	11,550
Bunyu Kaltim	PT Pertamina EP	2012-2016	mmscf	609
Gresik	Santos (Madura Offshore) Pty Ltd.; PC Madura Ltd. dan PT Petrogas Pantai Madura	2013-2017	bbtu	33,362
Gresik	PT Surya Cipta Internusa	2015-2016	bbtu	3,580
Sumatera	PDPDE Prov Sumatera Selatan	2013-2019	bbtu	9,250
Tarakan	BUT. Manhattan Kalimantan Investment Pte. Ltd.	2012-2018	bbtu	10,500
Batam	PT Inti Daya Latu Prima	2012-2019	bbtu	11,685
Gresik	Petrogas Jatim Utama	2013-2017	mmscf	39,898
Belawan, Muara Karang, Priok (LNG)	Tangguh PSC Contract Parties	2016-2034	kargo	688
Rawa Minyak Riau	Petrosetal Ltd.	2015-2020	bbtu	7,802
Tana Tidung	PT Pertamina Hulu Energi Simenggaris dan PT Medco E&P Simenggaris	2015-2020	mmscf	805
New Tarahan	PT Perusahaan Gas Negara (Persero) Tbk	2015-2017	bbtu	3,030
Bali	PT Pertamina (Persero); Total E&P Indonesia; INPEX Co.	2016-2017	kargo	± 7
Sutami	PT Perusahaan Gas Negara (Persero) Tbk	2016-2018	bbtu	2,825
Sumatera	ConocoPhillips (Grissik) Ltd.	2016-2017	bbtu	14,600

- a) CNOOC SES Ltd.; PT Pertamina Hulu Energi OSES; KNOOC Sumatra Ltd.; Salamander Energy Sumatra B.V.; Fortuna Resources (Sunda) Ltd.; Talisman Uk (Southeast Sumatra) Ltd.; Talisman Resources (Bahamas) Ltd.
b) PT Pertamina Hulu Energi Offshore North West Java; EMP ONWJ Ltd.; KUFPEC Indonesia (ONWJ) B.V.
c) PT Pertamina Hulu Energi Jambi Merang; Talisman (Jambi Merang) Ltd. Dan Pacific Oil & Gas (Jambi Merang) Ltd.
d) Santos (Sampang) Pty Ltd., Singapore Petroleum Sampang Ltd. (formerly Coastal Indonesia Sampang Ltd.) and Cue Sampang Pty Ltd.
e) Dalam jumlah penuh/ *In full amount*
f) Berganti nama dari/ *Change name from* PT EMP Kangean Ltd.
g) Berganti nama dari/ *Change name from* Kalilla Bentu Ltd.
h) Berganti nama dari/ *Change name from* Salamander Energy (Bangkalanai) Ltd.

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Sehubungan dengan perjanjian diatas,
Perusahaan mempunyai *fasilitas stand-
by letter of credit* dengan rincian
sebagai berikut:

*In relation with the above agreement,
the Company has stand-by letter credit
facilities with the following details:*

Bank Penerbit/ Issuing bank	Penerima Manfaat/ Beneficiary	Mata Uang/ Currency	Jumlah/ Amount *)
BRI	PT Perusahaan Gas Negara (Persero)	IDR	62,387,344,718
		USD	21,999,600
	Santos (Sampang) Pty. Ltd.	USD	31,665,343
	Kangean Energy Indonesia Ltd.	USD	20,970,228
	Petrochina Int. Jabung	USD	4,576,036
Mandiri	PT Inpex Corporation	USD	278,034
	Total E&P Indonesia	USD	278,034
	BP Berau Ltd. (On Behalf Of Tangguh)	USD	33,112,770
	PT Pertamina Hulu Energi Jambi	USD	4,210,000
	PT Pacific Oil & Gas (Jambi Merang) Ltd.	USD	1,052,500
	Talisman (Jambi Merang) Ltd.	USD	1,052,500
	PT Petrogas Jatim Utama	IDR	51,684,069,938
	PT Perusahaan Gas Negara (Persero)	IDR	1,558,617,226
		USD	17,777,664
	PT Pelindo Energi Logistik	IDR	237,804,622,235
BNI	SESCO	USD	35,000,000
	Conoco Philips	USD	10,800,000
Bukopin	PT Inti Daya Latu Prima	USD	2,706,000
	PT Sumber Petrindo Perkasa	USD	22,560,000

*) Dalam jumlah penuh/ *In full amount*

Harga pembelian gas pipa pada titik penyerahan berkisar antara US\$3,09 sampai dengan US\$10,23 per *Million British Thermal Units* ("MMBTU") dan *Liquid Natural Gas* ("LNG") antara US\$3,91 sampai dengan US\$8,53 per MMBTU.

Gas pipe purchase price at point of delivery ranges from US\$3.09 to US\$10.23 per Million British Thermal Units ("MMBTU") and the price of Liquid Natural Gas ("LNG") ranges from US\$3.91 to US\$8.53 per MMBTU.

PLN Batam mengadakan perjanjian kerjasama dengan PGN untuk mengadakan gas alam. Perjanjian ini berlaku untuk jangka waktu 15 tahun dengan jumlah volume gas sebesar 72.270 BBTU, sejak gas pertama disalurkan ke titik penyerahan, yaitu tanggal 7 Agustus 2004. Harga pembelian gas pada titik penyerahan berkisar antara US\$2,60 sampai dengan US\$3,32 per MMBTU. Sesuai dengan perjanjian, PLN Batam harus menyediakan jaminan pembayaran berupa SBLC yang dikeluarkan oleh Bank Mandiri.

PLN Batam entered into an agreement with PGN for the supply of natural gas. The agreement is valid for 15 years with total gas volume of 72,270 BBTU, starting from the first time the gas is channeled to the point of delivery, which was on August 7, 2004. Gas purchase price at point of delivery ranges from US\$2.60 to US\$3.32 per MMBTU. In accordance with the agreement, PLN Batam must provide a payment guarantee in the form of an SBLC issued by Bank Mandiri.

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ii Batubara

ii. Coal

<u>Pemasok/Suppliers</u>	<u>Kuantitas metrik ton per tahun/ Quantity per year in metric tons*)</u>	<u>Periode/ Period</u>
<i>Rutin/ Regular</i>		
PT Bukit Asam (Persero), Tbk	5,300,000	2013-2022
PT Adaro Indonesia	1,500,000	2014-2023
PT Kaltim Prima Coal	5,000,000	2007-2017
PT Kideco Jaya Agung	1,500,000	2009-2018
PT Berau Coal	2,500,000	2009-2018
PT Indominco Mandiri	2,100,000	2008-2018
PT Natuna Energi Indonesia	480,000	2006-2017
PT Oktasan Baruna Persada	660,000	2006-2017
PT Eksploitasi Energi Indonesia, Tbk ¹⁾	480,000	2006-2018
<i>Kerjasama konsorsium/ Consortium</i>		
PT Kasih Industri Indonesia dan PT Senamas Energindo Mulia	783,000	2009-2028
PT Arutmin Indonesia dan PT Darma Henwa	2,005,000	2008-2028
PT Oktasan Baruna Persada and PT Insani Perkasa	540,000	2012-2017
PT Prima Multi Mineral and PT Baratama	384,000	2012-2017
<i>Program Percepatan/ Fast Track Program</i>		
PT Bukit Asam (Persero), Tbk	6,600,000	2010-2030
PT Adaro Indonesia	4,500,000	2016-2020
PT Titan Infra Energy ²⁾	2,920,000	2011-2031
PT Hanson Energy	2,128,000	2009-2031
PT Lanna Harita Indonesia	300,000	2015-2020
PT Dwi Guna Laksana	1,890,000	2010-2032
PT Tunas Inti Abadi	600,000	2015-2020
PT Dizamatra Powerindo	500,000	2016-2020
PT Samantaka Batubara	500,000	2016-2021
<i>Kerjasama konsorsium/ Consortium</i>		
PT Arutmin Indonesia dan PT Darma Henwa	6,253,000	2009-2029
PT Multi Bara Persada dan PT Eksploitasi Energi Indonesia	1,179,104	2011-2020
PT Kasih Industri Indonesia dan PT Senamas Energindo Mulia	2,860,000	2010-2031
PT Golden Great Borneo, PT Oktasan Baruna Persada dan PT Buana Eltra	576,000	2011-2022
PT Risna Karya Whardana Mandiri dan PT Rizki Anugrah Pratama	1,185,328	2011-2023
PT Oktasan Baruna Persada dan PT Buana Risky Armia	1,241,000	2010-2031
PT Energi Batubara Lestari dan PT Batara Batari Sinergy Nusantara	220,500	2013-2032

*) Dalam jumlah penuh/ In full amount

1) Berganti nama dari/ Change name from PT Central Korporindo Internasional, Tbk

2) Berganti nama dari/ Change name from PT Titan Mining Energy

Harga pembelian batubara berkisar antara Rp341.867 dan Rp763.993 per ton yang disesuaikan terhadap nilai kalori, kadar abu, sulfur, air, Ash Fusion Temperature ("AFT") dan Hardgrove Grindability Index ("HGI").

The price of coal purchases ranges from Rp341,867 to Rp763,993 per ton, which is adjusted against calorific value, ash content, sulphur, water, Ash Fusion Temperature ("AFT") and Hardgrove Grindability Index ("HGI").

PLN Batubara mengadakan Perjanjian Kerjasama Operasi Penambangan Batubara dengan beberapa pemasok sebagai berikut:

PLN Batubara entered into Coal Mining Operation Cooperation Agreement with suppliers as follows:

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<u>Pemasok/Suppliers</u>	<u>Lokasi/ Location</u>	<u>Kuantitas metrik ton Quantity in metric ton*</u>
PT Tansri Madjid Energi	Muara Enim, Sumatera Selatan/ South Sumatera	43,396,322
PT Megapura Prima Industri	Sorong, Papua Barat/ West Papua	14,800,000
PT Mahakarya Abadi Prima	Sarolangun, Jambi	11,822,430
PT Bangun Persada Jambi Energi	Sarolangun, Jambi	16,685,059
PT Bima Putra Abadi Citranusa	Lahat, Sumatera Selatan/ South Sumatera	1,000,000
PT Awang Sejahtera	Parenggean, Kalimantan Tengah/ Central Kalimantan	693,680

*) dalam jumlah penuh/ in full amount

iii. Bahan Bakar Minyak

Perusahaan dan Pertamina mengadakan Perjanjian Induk Jual Beli Bahan Bakar Minyak No. 071.PJ/060/DIR/2001 tanggal 8 Oktober 2001. Perjanjian ini telah di adendum tanggal 16 Mei 2007 dimana Perusahaan dan Pertamina menyepakati antara lain: (i) penggunaan harga bahan bakar bulanan ditetapkan oleh Pertamina untuk periode 1 Januari sampai dengan 30 April 2007 dan harga bahan bakar 109,5% dari *Mean Oil Platts Singapore* ("MOPS") ditambah Pajak Pertambahan Nilai untuk periode 1 Mei 2007 sampai dengan 31 Desember 2007; (ii) harga bahan bakar setelah tanggal 31 Desember 2007 akan ditetapkan oleh kedua belah pihak setiap tahun; (iii) jangka waktu pembayaran berikut pengenaan denda keterlambatan pembayaran sebesar tingkat bunga Sertifikat Bank Indonesia bulanan ditambah 1,3%; (iv) efektif mulai 1 Mei 2007, saldo utang yang belum dibayar atas pembelian bahan bakar sampai dengan 30 April 2007 dikenakan bunga sebesar tingkat bunga Sertifikat Bank Indonesia per tahun ditambah 1,3%, sampai diselesaikan dengan menerbitkan obligasi PLN selambat-lambatnya tanggal 31 Agustus 2007; (v) utang kepada Pertamina, termasuk obligasi yang akan diterbitkan maksimum sebesar Rp18 triliun; dan (vi) perjanjian ini berlaku untuk lima tahun sejak 1 Januari 2007 sampai dengan 31 Desember 2011.

Berdasarkan Surat Kesepakatan Bersama tanggal 16 Mei 2007, PT Sucofindo (Persero) ditunjuk sebagai *independent surveyor*.

iii. Fuel

The Company and Pertamina entered into a Fuel Sale and Purchase Agreement No. 071.PJ/060/DIR/2001 dated October 8, 2001. This agreement was amended on May 16, 2007, whereby, the Company and Pertamina agreed among other things: (i) the monthly fuel price to be used for the period January 1 until April 30, 2007 is determined by Pertamina and the fuel price of 109.5% from Mean Oil Platts Singapore ("MOPS") plus Value Added Tax for the period May 1, 2007 until December 31, 2007; (ii) that the fuel price subsequent to December 31, 2007 will be determined by both parties every year; (iii) the terms of payment and penalty charges on late payment is using a monthly rate of Certificate of Bank Indonesia plus 1.3%; (iv) effective on May 1, 2007, the unpaid balance of payable for the purchases of fuel until April 30, 2007 will bear interest with a rate per annum of Certificate of Bank Indonesia plus 1.3%, until settled by issuance of PLN bonds, which is no later than August 31, 2007; (v) the maximum payable to Pertamina, includes bonds which will be issued amounting to Rp18 trillion; and (vi) this agreement is valid for five years from January 1, 2007 until December 31, 2011.

Based on the Joint Deal Letter dated May 16, 2007, PT Sucofindo (Persero) is assigned as an independent surveyor.

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Berdasarkan Addendum III Perjanjian
Jual Beli Bahan Bakar Minyak tanggal
7 November 2011, Perusahaan dan
Pertamina menyepakati dalam tahun
2011 sebagai berikut:

1. HSD (*High Speed Diesel*)
 - Harga pembelian HSD sampai dengan 2.537.161 kiloliter (kl) di 18 titik penyerahan Pertamina adalah 105% dari MOPS.
 - Harga pembelian HSD sampai dengan 480.487 kl di titik penyerahan Pertamina Terminal Transit Manggis adalah 108% dari MOPS.
 - Harga pembelian HSD sampai dengan 2.978.360 kl di titik penyerahan di Instalasi Tanjung Priok dan Instalasi Surabaya Group adalah 108,5% dari MOPS.
 - Harga pembelian HSD diatas 5.996.008 kl atau yang diserahkan diluar 21 titik penyerahan yang ditetapkan Pertamina adalah 109,5% dari MOPS.
2. Harga pembelian IDO (*Industrial Diesel Oil*) sampai dengan 3.933 kl di titik penyerahan di Kilang Plaju adalah 105% dari MOPS dan pembelian diatas 3.933 kl atau yang diserahkan diluar titik penyerahan Kilang Plaju adalah 109,5% dari MOPS.
3. Harga pembelian MFO (*Marine Fuel Oil*) sampai dengan 1.193.166 kl di titik penyerahan di Kilang Cilacap adalah 105% dari MOPS dan pembelian diatas 1.193.166 kl atau yang diserahkan diluar titik penyerahan di Kilang Cilacap adalah 109,5% dari MOPS.

Tahun 2013, Perusahaan dan Pertamina sepakat untuk menggunakan harga tahun 2011, karena amandemen Perjanjian Jual Beli Bahan Bakar Minyak belum diselesaikan.

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Based on Amendment III of the Fuel Sale and Purchase Agreement dated November 7, 2011, the Company and Pertamina agreed in 2011 on the following:

1. HSD (*High Speed Diesel*)
 - *The price of HSD for the purchase of up to 2,537,161 kiloliters (kl) from 18 supply points of Pertamina is 105% from MOPS.*
 - *The price of HSD for the purchase of up to 480,487 kl from the point of delivery Pertamina Terminal Transit Manggis is 108% from MOPS.*
 - *The price of HSD for the purchase of up to 2,978,360 kl from the point of delivery at Instalasi Tanjung Priok and Instalasi Surabaya Group is 108.5% from MOPS.*
 - *The price of HSD in excess of 5,996,008 kl or supplied from the point of delivery other than the 21 delivery points specified by Pertamina is 109.5% from MOPS.*
2. *The price of IDO (Industrial Diesel Oil) for purchases of up to 3,933 kl from the point of delivery at Kilang Plaju is 105% from MOPS and for purchases in excess of 3,933 kl or supplied from point of delivery other than the supply point Kilang Plaju is 109.5% from MOPS.*
3. *The price of MFO (Marine Fuel Oil) for purchases of up to 1,193,166 kl from the point of delivery at Kilang Cilacap is 105% from MOPS and for purchases in excess of 1,193,166 kl or supplied from the point of delivery other than the supply point Kilang Cilacap is 109.5% from MOPS.*

In 2013, the Company and Pertamina agreed to use the price of the year 2011, since the Fuel Sale Purchase Agreement amendment has not been completed yet.

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Berdasarkan surat Menteri Keuangan Republik Indonesia No. S-74/MK.02/2015 kepada Menteri Energi dan Sumber Daya Mineral mengenai rekomendasi penetapan harga jual beli HSD dan MFO antara Perusahaan dan Pertamina tahun 2014 tanggal 30 Januari 2015, pokok-pokok kesepakatan antara Pertamina dan Perusahaan antara lain:

- a. Harga jual tahun 2014 menggunakan harga berdasarkan evaluasi Badan Pengawas Keuangan dan Pembangunan sebesar HSD: MOPS + 9,19% dan MFO: MOPS + 11,94%;
- b. Dalam rangka efisiensi biaya pembelian di tahun 2015, Perusahaan diperkenankan untuk mencari sumber BBM selain Pertamina, dengan tetap menjaga keamanan pasokan BBM.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2014 berdasarkan harga tersebut.

Dalam rangka penyelesaian harga jual Bahan Bakar Minyak ("BBM") (HSD dan MFO) Pertamina kepada Perusahaan, telah dilakukan pembahasan harga jual beli bahan bakar minyak (HSD dan MFO) antara Pertamina dan Perusahaan tahun 2015 di Kantor Kementerian Badan Usaha Milik Negara, difasilitasi oleh Deputi Bidang Usaha Energi, Logistik, Kawasan dan Pariwisata Kementerian BUMN, untuk menentukan harga transaksi BBM di tahun 2015.

Berdasarkan Berita Acara Kesepakatan Harga Jual Beli Bahan Bakar Minyak (HSD dan MFO) antara Pertamina dan Perusahaan tanggal 9 Februari 2016 dengan hasil sebagai berikut:

- a. Harga transaksi HSD tahun 2015:
 - Januari sampai dengan September 2015 adalah 107% dari MOPS
 - Oktober sampai dengan Desember 2015 adalah 105% dari MOPS
- b. Harga transaksi MFO tahun 2015 adalah 109,5% dari MOPS.

Based on the Minister of Finance of the Republic of Indonesia's letter No. S-74/MK.02/2015 to Minister of Energy and Mineral Resources regarding its recommendation on the sale and purchase price of HSD and MFO between the Company and Pertamina for 2014 dated January 30, 2015, the terms of the agreement between Pertamina and the Company are:

- a. *The sales price for 2014 uses the price based on the review of the Board of Finance and Development Supervision as follows: for HSD: MOPS + 9.19% and for MFO: MOPS + 11.94%;*
- b. *For the efficiency of purchase cost in 2015, the Company is allowed to acquire from other sources of fuel than Pertamina, whilst maintaining security of fuel supply.*

The Company has recorded purchases of HSD and MFO for the year 2014 based on those prices.

In settlement of the fuel sales price of Pertamina's fuel (HSD and MFO) to the Company, discussions on selling price of fuel (HSD and MFO) has been conducted between Pertamina and the Company in 2015 in the Minister of State Owned Enterprises ("SOE") office, facilitated by a deputy in energy business logistics and tourism, to determine the selling price of fuel in 2015.

Based on the Sales and Purchase Price Agreement for Fuel (HSD and MFO) between Pertamina and the Company dated on February 9, 2016 the results are:

- a. *HSD transaction price for 2015:*
 - *January until September 2015 is 107% from MOPS*
 - *October until December 2015 is 105% from MOPS*
- b. *MFO transaction price for 2015 is 109.5% from MOPS.*

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Perusahaan telah mencatat pembelian HSD dan MFO tahun 2015 berdasarkan harga tersebut.

Sampai dengan tanggal laporan keuangan konsolidasian, manajemen masih dalam proses diskusi mengenai perpanjangan Perjanjian Jual Beli Bahan Bakar Minyak.

Pada tanggal 31 Desember 2016 dan 2015, estimasi liabilitas bunga dan denda atas utang pembelian bahan bakar kepada Pertamina masing-masing Rp19.713 dan Rp18.572 yang dicatat sebagai biaya masih harus dibayar (Catatan 33).

Pada tanggal 3 September 2014, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 14 Juli 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 14 Juli 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Bangka Belitung sebanyak 120.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 23 Pebruari 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT AKR Corporindo, Tbk untuk Lokasi Pembangkit Listrik Sei Raya, Siantan, Sanggau (Menyurai dan Semboja), dan Ketapang (Sukaharja) sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

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The Company has recorded purchases of HSD and MFO for the year 2015 based on those prices.

As of the consolidated financial statements date, the management is still in discussion related to the extension process of the Fuel Sale and Purchase Agreement.

As of December 31, 2016 and 2015, estimated liabilities on interest and penalties for payable on purchases of fuel from Pertamina amounted to Rp19,713 and Rp18,572, respectively, which are recorded as accrued expenses (Note 33).

On September 3, 2014, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

On July 14, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

On July 14, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Bangka Belitung for 120,000 kl for three years or fulfillment of total volume, whichever is the first.

On February 23, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT AKR Corporindo, Tbk Power Plant Location in Sei Raya, Siantan, Sanggau (Menyurai and Semboja) and Ketapang (Sukaharja) for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

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iv. Uap Panas Bumi

Pada tahun 2016 Perusahaan memiliki perjanjian dengan beberapa pemasok untuk pengadaan uap panas bumi sebagai berikut:

iv. Geothermal Steam

In 2016, the Company entered geothermal steam agreement with several suppliers, as follows:

Sektor/ Sector	Pemasok/ Supplier	Periode/ Period
Kamojang Unit 1, 2 & 3	PT Pertamina Geothermal Energy	2012-2040
Lahendong Unit 1	PT Pertamina Geothermal Energy	2002-2032
Lahendong Unit 2 & 3	PT Pertamina Geothermal Energy	2007-2039
Lahendong Unit 4	PT Pertamina Geothermal Energy	2011-2041
Ulubelu Unit 1 & 2	PT Pertamina Geothermal Energy	2012-2042
Hululais Unit 1 & 2	PT Pertamina Geothermal Energy	30 tahun *)
Sungai Penuh Unit 1 & 2	PT Pertamina Geothermal Energy	30 tahun *)
Kotamobagu Unit 1, 2, 3 & 4	PT Pertamina Geothermal Energy	30 tahun *)
Darajat Unit 1	PT Pertamina (Persero); Chevron Darajat Ltd.; Texaco Darajat Ltd.; PT Darajat Geothermal Indonesia	1994-2030
Gunung Salak Unit 1, 2 & 3	PT Pertamina (Persero); Dayabumi Salak Pratama Ltd.; Unocal Geothermal of Indonesia Ltd.	1993-2040

*) Sejak/ Since COD

b. Perjanjian Jual Beli Tenaga Listrik dan Kontrak Penjualan Energi

Sebelum tahun 1997, Perusahaan mengadakan Perjanjian Jual Beli Tenaga Listrik ("PPA") dan Kontrak Penjualan Energi ("ESC") dengan penyedia dan pengembang tenaga listrik swasta ("IPP") skala besar. Pada tahun 1999, Perusahaan telah melaksanakan renegotiasi terhadap PPA dan ESC melalui Kelompok Kerja Renegosiasi Kontrak Khusus PLN dibawah arahan Pemerintah. Renegosiasi tersebut meliputi antara lain keseimbangan kondisi kontrak, kewajaran harga dan disparitas harga jual listrik swasta dan harga jual Perusahaan.

Dalam perjanjian dengan IPP tertentu, disepakati bahwa setiap saat selama perjanjian berlaku, Perusahaan dapat melaksanakan opsi untuk membeli hak penjual, milik, dan kepentingan atas proyek yang bersangkutan.

Pada tanggal 31 Desember 2016, perjanjian signifikan antara Perusahaan dan entitas anak dengan IPP adalah sebagai berikut:

b. Power Purchase Agreements and Energy Sales Contract

Prior to 1997, the Company entered into Power Purchase Agreement ("PPA") and Energy Sales Contract ("ESC") with large-scale IPPs. In 1999, the Company entered into renegotiation of the PPA and ESC through a Working Group on PLN Special Contract Renegotiation under the direction of the Government. Such renegotiation includes, among other subjects, equalization in contract conditions, reasonableness of price and disparity of selling price between the IPP and the Company.

Based on the agreements with certain IPPs, the Company may exercise its option to purchase all of the IPP's rights, title and interest in the projects at any time during the contract period.

As of December 31, 2016 the significant agreements between the Company and its subsidiaries with IPPs are as follows:

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i. Sudah Beroperasi

i. In Operations

No	Perusahaan/ Company	Proyek/ Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Tanggal operasi komersial/ Commercial Operation Date
1.	PT Cikarang Listrindo	Cikarang, Jawa Barat/ West Java	Gas	300.0	72	1996-2031	1 Desember 1998/ December 1, 1998
2.	PT Energi Sengkang	Sengkang, Sulawesi Selatan/ South Sulawesi	Gas	315.0	85	1999-2022	1 Maret 1999/ March 1, 1999
3.	Dayabumi Salak Pratama Ltd.	Salak, Jawa Barat/ West Java	Panas bumi/ Geothermal	165.0	90	2000-2040	1 Desember 2000/ December 1, 2000
4.	PT Paiton Energy	Paiton I, Jawa Timur/ East Java	Batubara/ Coal	1,230.0	85	1999-2039	1 Juli 2000/ July 1, 2000
5.	PT Jawa Power	Paiton II, Jawa Timur/ East Java	Batubara/ Coal	1,220.0	83	2000-2030	1 November 2000/ November 1, 2000
6.	Pertamina, Cevron Drajat Ltd	Drajat, Jawa Barat/ West Java	Panas bumi/ Geothermal	200.0	95	2000-2030	1 Februari 2000 / February 1, 2000 1 Agustus 2007/ August 1, 2007
7.	PT Pertamina Geothermal Energy & Star Energy Geothermal Ltd (previously Mandala Magma Nusantara BV)	Wayang Windu, Jawa Barat/ West Java	Panas bumi/ Geothermal	220.0	90	2000-2039	1 Juni 2000/ June 1, 2000
8.	PT Geo Dipa Energy	Dieng, Jawa Tengah Central Java	Panas bumi/ Geothermal	60.0	85	2002-2044	1 Oktober 2002/ October 1, 2002
9.	PT Asrigita Prasarana	Palembang Timur, Sumatera Selatan/ South Sumatera	Gas	150.0	85	2004-2024	1 September 2004/ September 1, 2004
10.	PT Sumber Segara Primadaya	Cilacap, Jawa Tengah/ Central Java	Batubara/ Coal	562.0	80	2007-2037	1 Februari 2007/ February 1, 2007
11.	PT Metaepsi Pejebe Powe Generation	Gunung Megang, Sumatera Selatan/ South Sumatera	Gas	110.0	80	2007-2027	10 November 2007/ November 10, 2007
12.	PT Pusaka Jaya Palu Power	Palu, Sulawesi Tengah/ Central Sulawesi	Batubara/ Coal	27.0	80	2007-2032	1 November 2007/ November 1, 2007
13.	PT Cipta Daya Nusantara	Mobuya, Sulawesi Utara/ North Sulawesi	Tenaga Air/ Hydro	3.0	80	2007-2027	31 Juli 2007/ July 31, 2007
14.	PT Pertamina Geothermal Energy	Kamojang Unit 4, Jawa Barat/ West Java	Panas bumi/ Geothermal	60.0	80	2008-2038	26 Januari 2008/ January 26, 2008
15.	PT Cahaya Fajar Kaltim	Embalut, Kalimantan Timur/ East Bontaro	Batubara/ Coal	45.0	83	2008-2038	20 Desember 2008/ December 20, 2008
16.	PT Dizamatra Powerindo	Sebayak, Sumatera Utara/ North Sumatera	Panas bumi/ Geothermal	12.0	80	2008-2038	1 Agustus 2008/ August 1, 2008
17.	PT Bajradaya Sentranusa	Asahan, Sumatera Utara/ North Sumatera	Tenaga Air/ Hydro	180.0	1.175 GW/h/th	2011-2040	18 Januari 2011/ January 18, 2011
18.	Perum Jasa Tirta	Purwakarta, Jawa Barat/ West Java	Tenaga Air/ Hydro	180.0	--	2012-2016	1 Agustus 2006/ August 1, 2006
19.	PT Fajar Futura Energi Luwu	Ranteballa, Luwu, Sulawesi Selatan/ South Sulawesi	Tenaga Air/ Hydro	2.4	--	2010-2035	1 Mei 2010/ May 1, 2010
20.	PT Sulawesi Mini Hydro Power	Tangka, Sinjai, Sulawesi Selatan/ South Sulawesi	Tenaga Air/ Hydro	10.0	--	2011-2036	1 Februari 2011/ February 1, 2011
21.	PT GH EMM Indonesia	Simpang Belimbing Muara Enim, Sumatera Selatan/ South Sumatera	Batubara/ Coal	227.0	80	2011-2041	27 Februari 2013/ February 27, 2013
22.	PT Eksploitasi Energi Indonesia	Pangkalan Bun, Kalimantan Selatan/ South Bontaro	Batubara/ Coal	11.0	80	2011-2036	14 Oktober 2011/ October 14, 2011
23.	PT Paiton Energy	Paiton III, Jawa Timur/ East Java	Batubara/ Coal	815.0	85	2012-2042	18 Maret 2012/ March 18, 2012
24.	PT Cirebon Electric Power	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	660.0	80	2012-2042	27 Juli 2012/ July 27, 2012
25.	PT Bosowa Energi	Jeneponto, Sulawesi Selatan/ South Sulawesi	Batubara/ Coal	200.0	80	2012-2042	1 Agustus 2012/ August 1, 2012

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No	Perusahaan/ Company	Proyek/ Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Tanggal operasi komersial/ Commercial Operation Date
26.	PT Poso Energy	Poso, Sulawesi Tengah/ Central Sulawesi	Tenaga Air/ Hydro	195.0	845,52 GWh/th	2012-2042	30 Desember 2012/ December 30, 2012
27.	PT Bekasi Power	Bekasi, Jawa Barat/ West Java	Gas	118.8	80	2013-2032	5 Januari 2013/ January 5, 2013
28.	PT Sepoetih Daya Prima	Lampung Tengah, Lampung	Batubara/ Coal	12.0	80	2014-2039	2 Mei 2014/ May 2, 2014
29.	PT Cahaya Fajar Kaltim	Embalut Unit 3, Kalimantan Timur/ East Borneo	Batubara/ Coal	50.0	87	2014-2039	5 September 2014/ September 5, 2014
30.	PT Geo Dipa Energi	Patuha, Jawa Barat/ West Java	Panas bumi/ Geothermal	55.0	89	2014-2044	22 September 2014/ September 22, 2014
31.	PT Tenaga Listrik Gorontalo	Molotabu, Gorontalo	Batubara/ Coal	21.0	80	2014-2039	13 September 2014/ September 13, 2014
32.	PT Kartanegara Energi Perkasa	Senipah, Kalimantan Timur/ East Borneo	Gas	82.0	85	2015-2040	16 Maret 2015/ March 16, 2015
33.	PT Bukit Pembangkit Innovative	Banjar Sari, Lahat, Sumatera Selatan/ South Sumatera	Batubara/ Coal	200.0	80	2015-2045	30 Juni 2015/ June 30, 2015
34.	PT General Energy Bali	Celukan Bawang, Bali	Batubara/ Coal	380.0	85	2015-2045	23 September 2015/ September 23, 2015
35.	PT Harmoni Energy Indonesia	Buton, Sulawesi Tenggara/ Southeast Sulawesi	Batubara/ Coal	14.0	80	2015-2040	29 Oktober 2015/ October 29, 2015
36.	PT Pertamina Geothermal Energy	Kamojang Unit 5, Jawa Barat/ West Java	Panas bumi/ Geothermal	30.0	90	2015-2045	29 Juni 2015/ June 29, 2015
37.	PT Priamanaya Power Energi	Keban Agung, Lahat, Sumatera Selatan/ South Sumatera	Batubara/ Coal	240.0	80	2016-2046	1 Mei 2016/ May 1, 2016
38.	PT Wampu Electric Power	Wampu, Sumatera Utara/ North Sumatera	Tenaga Air/ Hydro	45.0	315,36 GWh/Th	2016-2046	1 Mei 2016/ May 1, 2016
39.	PT Sumber Segara Primadaya	Cilacap Ekspansi, Jawa Tengah/ Central Java	Batubara/ Coal	614.0	80	2016-2046	10 Juni 2016/ June 9, 2016
40.	PT Pertamina Geothermal Energy	Ulubelu 3, Sumatera	Panas bumi/ Geothermal	55.0	90	2016-2046	26 Juli 2016/ July 26, 2016
41.	PT Pusaka Jaya Palu Power	Tawaeli Ekspansi (Unit 4 & 5), Palu	Batubara/ Coal	30.0	80	2016-2041	7 September 2016/ September 7, 2016
42.	PT Pertamina Geothermal Energy	Lahendong Unit 5, Sulawesi Utara/ North Sulawesi	Panas bumi/ Geothermal	20.0	90	2016-2046	15 September 2016/ September 15, 2016
43.	PT DSSP Power Sumsel	Sumsel 5, Banyuasin, Sumatera Selatan/ South Sumatera	Batubara/ Coal	300.0	80	2016-2041	14 Januari 2016/ January 14, 2016 3 April 2016/ April 3, 2016
44.	PT Pertamina Geothermal Energy	Lahendong Unit 6, Sulawesi Utara/ North Sulawesi	Panas bumi/ Geothermal	20.0	90	2016-2046	9 Desember 2016/ December 9, 2016
45.	PT Indo Matra Power	Kawasan Industri Kabil, Pulau Batam/ Batam Island	Gas	17.4	80	2005-2018	11 September 2005/ September 11, 2005 1 April 2006/ April 1, 2006
46.	PT Dalle Energy Batam	Panaran, Pulau Batam/ Batam Island	Gas	85.5	90	2005-2025	1 Desember 2005/ December 1, 2005
47.	PT Mitra Energi Batam	Panaran, Pulau Batam/ Batam Island	Gas	55.5	84	2005-2034	29 Oktober 2004/ October 29, 2004
48.	PT Mitra Energi Batam	Panaran, Pulau Batam/ Batam Island	Gas	26.6	--	2014-2034	1 September 2014/ September 1, 2014
49.	PT TJK Power	Tanjung Kasam, Pulau Batam/ Batam Island	Batubara/ Coal	110.0	85	2012-2042	25 Oktober 2012/ October 25, 2012 1 November 2012/ November 1, 2012
50.	PT Energi Listrik Batam	Tanjung Uncang, Pulau Batam/ Batam Island	Gas	70.0	85	2016-2038	1 Mei 2016/ May 1, 2016

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No	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ²⁾ (%)	Periode/ Period ³⁾	Tanggal operasi komersial/ Commercial Operation Date
51.	PT Humbahas Bumi Energi	Hutaja, Sumatera Utara/ North Sumatera	Tenaga air/ Hydro	5.0	65	2012-2037	10 Mei 2012/ May 10, 2012
52.	PT Bakti Nugroho Yuda Energy	Baturaja, Sumatera Selatan/ South Sumatera	Batubara/ Coal	20.0	80	2014-2039	18 Januari 2014/ January 18, 2014
53.	Joint Operation PT Wijaya Karya (Persero) Tbk PT Mirlindo Padu Kencana	Pesanggaran, Bali	Diesel	50.0	85	2009-2017	1 Maret 2011/ March 1, 2011
54.	Konsorsium PT Wijaya Karya (Persero) Tbk PT Navigat Energy	Borang, Sumatera Selatan/ South Sumatera	Gas	67.0	80	2012-2019	29 Juni 2012/ June 29, 2012
55.	Konsorsium PT Modaco Energy PT Elektrindo Perkasa Utama Pratt & Whitney Ps. INC Renewable Energy Power International	Payo Selincah, Jambi	Gas	94.0	60	2012-2019	8 Juni 2012/ June 8, 2012
56.	Konsorsium PT PP (Persero) Tbk PT Bangun Energy Resources PT Navigat Energy PT SNC Lavalin TPS General Electric	Talang Duku, Jambi	Gas	57.0	60	2013-2019	11 Januari 2007/ January 11, 2007
Jumlah/ Total				10,104.2			

Sehubungan dengan pembelian tenaga listrik, PLN Batam telah menyerahkan jaminan deposito berjangka masing-masing sebesar Rpnil dan Rp7.880 pada tahun 2016 dan 2015 (Catatan 10).

In relation to the purchase of electricity, PLN Batam has placed collateral time deposits amounting to Rpnil and Rp7,880 in 2016 and 2015, respectively (Note 10).

Selain dari perjanjian jual beli tenaga listrik di atas, Perusahaan dan entitas anak juga memiliki beberapa perjanjian sewa yang termasuk dalam kategori sewa operasi. Berikut ini adalah komitmen sewa operasi:

In addition to the above power purchase agreements, the Company and its subsidiaries also entered into rental agreements that falls into the category of operating leases. The followings are commitments for operating leases:

	2016 Rp	2015 Rp	
Pembayaran jatuh tempo dalam waktu:			<i>Minimum lease payments due:</i>
Tidak lebih dari satu tahun	24,430	106,249	<i>No later than one year</i>
Antara lebih dari satu tahun sampai dua tahun	--	--	<i>Later than one year and no later than two years</i>
Lebih dari dua tahun	--	--	<i>More than two years</i>
Jumlah pembayaran minimum sewa	24,430	106,249	Total minimum lease payments
	2016 Rp	2015 Rp	
Rincian pembayaran sewa minimum berdasarkan lessor:			<i>Details of the minimum lease payment by lessor:</i>
Perum Jasa Tirta	24,430	97,720	<i>Perum Jasa Tirta</i>
PT Dalle Energy Batam	--	8,529	<i>PT Dalle Energy Batam</i>
Jumlah	24,430	106,249	Total

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ii. Belum Beroperasi (Dalam Tahap Pengembangan)

ii. Not Yet in Operation (Development Stage)

No.	Perusahaan/ Company	Proyek/ Projects	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF b) (%)	Periode/ Period a)	Status
1	PT Shenhua Guohua Pembangkitan Jawa Bali	Serang, Banten	Batubara/ Coal	2,000	86	2021-2046	Tahap Pembangunan/ Construction Stage
2	PT Bhumi Jati Power	Jejara, Jawa Tengah /Central Java	Batubara/ Coal	2,000	86	2019-2044	Tahap Pembiayaan/ Financing Stage
3	PT Bimasena Power Indonesia	Batang, Jawa Tengah/ Central Java	Batubara/ Coal	1,900	86	2020-2050	Tahap Pembangunan/ Construction Stage
4	PT Tanjung Jati Power	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	1,320	80	2019-2049	Tahap Pembiayaan/ Financing Stage
5	PT Huadian Bukit Asam Power	Sumatera Selatan/ South Sumatera	Batubara/ Coal	1,200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
6	PT Cirebon Energi Prasarana	Cirebon, Jawa Barat/ West Java	Batubara/ Coal	1,000	86	2019-2044	Tahap Pembiayaan/ Financing Stage
7	PT Sumber Segara Primadaya	Cilacap, Jawa Tengah/ Central Java	Batubara/ Coal	1,000	86	2018-2048	Tahap Pembiayaan/ Financing Stage
8	PT Lestari Banten Energi	Cilegon, Banten	Batubara/ Coal	660	80	2017-2042	Tahap Pembangunan/ Construction Stage
9	PT Shenhua Guohua Lion Power Indonesia	Sumatera Selatan/ South Sumatera	Batubara/ Coal	600	80	2020-2050	Tahap Pembiayaan/ Financing Stage
10	PT North Sumatra Hydro	PLTA Batang Toru	Tenaga Air/ Hydro	510	0	2016-2046	Tahap Pembiayaan/ Financing Stage
11	Sarulla Operation Ltd	Sarulla, Sumatera Utara/ North Sumatera	Panas Bumi/ Geothermal	330	90	2017-2047	Tahap Pembangunan/ Construction Stage
12	PT Bosowa Energi	Jeneponto, Sulawesi Selatan/ South Sulawesi	Batubara/ Coal	250	80	2018-2048	Tahap Pembangunan/ Construction Stage
13	PT Banyuasin Power Energi	Sumatera Selatan/ South Sumatera	Batubara/ Coal	250	80	2020-2050	Tahap Pembiayaan/ Financing Stage
14	PT Sorik Marapi Geothermal Power	PLTP Sorik Marapi, Sumatera Utara/ North Sumatera	Panas Bumi/ Geothermal	240	90	2020-2050	Power Purchase Agreement
15	PT Pertamina Geothermal Energy	PLTP Lumut Balai, Sumatera Selatan/ South Sumatera	Panas Bumi/ Geothermal	220	90	2017-2047	Tahap Pembangunan/ Construction Stage
16	PT Supreme Energy Rajabasa	PLTP Rajabasa, Lampung	Panas Bumi/ Geothermal	220	90	2023-2053	Eksplorasi/ Exploration
17	PT Supreme Energy Muaralaboh	PLTP Muaralaboh, Sumatera Barat/ West Sumatera	Panas Bumi/ Geothermal	220	90	2019-2049	Eksplorasi/ Exploration
18	PT Supreme Energy Rantau Dedap	PLTP Rantau Dedap, Sumatera Selatan/ South Sumatera	Panas Bumi/ Geothermal	220	90	2020-2050	Eksplorasi/ Exploration
19	PT Pertamina Geothermal Energy & Star Energy Geothermal (Wayang Windu)	Wayang Windu #3,4, Jawa Barat/ West Java	Panas Bumi/ Geothermal	180	85	2022-2052	Exploitasi/ Exploitation
20	PT Sejahtera Alam Energi	PLTP Baturraden, Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	220	90	2024-2054	Power Purchase Agreement
21	PT SKS Listrik Kalimantan	Gunung Mas, Kalimantan Tengah/ Central Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembangunan/ Construction Stage
22	PT Tenaga Listrik Bengkulu	Bengkulu	Batubara/ Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
23	PT GCL Indo Tenaga	Kalimantan Barat/ West Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
24	PT Tanjung Power Indonesia	Kalimantan Selatan/ South Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
25	PT Graha Power Kaltim	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
26	PT Indonesia Energi Dinamika (INDOEKA)	Kalimantan Timur/ East Borneo	Batubara/ Coal	200	80	2020-2045	Tahap Pembiayaan/ Financing Stage
27	PT Bakrie Darmakarya Energi	PLTP Telaga Ngebel, Jawa Timur/ East Java	Panas Bumi/ Geothermal	165	90	2023-2053	Power Purchase Agreement
28	PT Geo Dipa Energi	Dieng #2,3 Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	115	85	2021-2051	Tahap Pembiayaan/ Financing Stage
29	PT Medco Cahaya Geothermal	PLTP Ijen, Jawa Timur/ East Java	Panas Bumi/ Geothermal	110	85	2021-2051	Eksplorasi/ Exploration
30	PT Sintesa Banten Geothermal	PLTP Rawa Dano, Banten	Panas Bumi/ Geothermal	110	90	2022-2052	Power Purchase Agreement
31	PT DSS Power Kendari	Konawe Selatan, Sulawesi Tenggara/ Southeast Sulawesi	Batubara/ Coal	100	80	2019-2044	Tahap Pembangunan/ Construction Stage
32	PT Muntok Listrik Utama	Bangka Belitung	Gas	80	85 (Y1) 60 (Y2)	2019-2039	Tahap Pembiayaan/ Financing Stage
33	PT Gorontalo Listrik Perdana	Gorontalo	Batubara/ Coal	100	80	2020-2045	Tahap Pembiayaan/ Financing Stage
34	PT UPC Sidrap Bayu Energi	PLT Bayu Sidrap, Sulawesi Selatan/ South Sulawesi	Angin/ Wind	70	0	2019-2049	Tahap Pembiayaan/ Financing Stage
35	PT Energi Bayu Jeneponto	PLT Bayu Tolo Jeneponto, Sulawesi Selatan/ South Sulawesi	Angin/ Wind	60	0	2019-2049	Tahap Pembiayaan/ Financing Stage
36	PT Tanggamus Electric Power	PLTA Semangka	Tenaga Air/ Hydro	56	57	2019-2049	Tahap Pembangunan/ Construction Stage
37	PT Indo Ridlatama Power	Kutai Kartanegara, Kalimantan Timur /East Borneo	Batubara/ Coal	55	80	2017-2047	Tahap Pembangunan/ Construction Stage
38	PT Pertamina Geothermal Energy	PLTP Ulubelu #4, Lampung	Panas Bumi/ Geothermal	55	90	2017-2047	Tahap Pembangunan/ Construction Stage
39	PT Giri Indah Sejahtera	PLTP Ungaran, Jawa Tengah/Central Java	Panas Bumi/ Geothermal	55	85	2024-2054	Eksplorasi/ Exploration
40	PT Spring Energy Sentosa	PLTP Guci, Jawa Tengah/Central Java	Panas Bumi/ Geothermal	55	90	2024-2054	Power Purchase Agreement
41	PT, Lombok Energy Dynamics	Lombok Timur, Nusa Tenggara Barat/West Nusa Tenggara	Batubara/ Coal	50	80	2016-2041	Tahap Pembangunan/ Construction Stage
42	PT Rekind Daya Mamuju	Mamuju, Sulawesi Barat/West	Batubara/ Coal	50	80	2017-2042	Tahap Pembangunan/ Construction Stage
43	PT Jabar Rekind Geothermal	PLTP Cisolak Cisukarame, Jawa Barat/West Java	Panas Bumi/ Geothermal	45	90	2025-2055	Power Purchase Agreement
44	PT UPC Yogyakarta Bayu	PLT Bayu Samas, Yogyakarta	Angin/ Wind	50	0	2019-2049	Tahap Pembiayaan/ Financing Stage
45	Lainnya/The Others c)			657			
Jumlah/Total				17,778			

- a) Perjanjian berlaku sejak ditandatangani, dan jual beli tenaga listrik berlaku antara 20 sampai dengan 30 tahun sejak tanggal operasi komersial.
- b) AF = Faktor pemasokan tenaga yang harus diserap Perusahaan.
- c) Meliputi kontrak dengan 95 IPP, terdiri dari 41 IPP dalam tahap pembangunan dan 40 IPP dalam tahap pembiayaan, dan 14 Power Purchase Agreement berlokasi di berbagai daerah di Indonesia, menggunakan bahan bakar batu bara, panas bumi dan mini hydro dengan kapasitas masing-masing pembangkit kurang dari 50 MW.

- a) The agreements are effective from the date of signing and buying and selling of electricity is valid between 20 to 30 years starting from the commercial operation date.
- b) AF = Power supply factor which should be absorbed by the Company.
- c) Represents contracts with 95 IPPs, consisting of 41 IPPs under construction, 40 IPPs in the financing stage, and 14 Power Purchase Agreement which are located in several areas of Indonesia and are generated by coal, geothermal and mini hydro with each power plant's capacity of less than 50 MW.

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Harga tenaga listrik per kWh untuk pembangkitan bahan bakar gas, MFO dan batubara ditetapkan berdasarkan formula tertentu yang ditetapkan dalam perjanjian yang antara lain mengatur pemulihan biaya modal, pembayaran biaya tetap operasi dan pemeliharaan, biaya bahan bakar dan pembayaran biaya variabel operasi, dan biaya pemeliharaan. Untuk pembangkitan yang menggunakan panas bumi, harga tenaga listrik ditetapkan berdasarkan formula tertentu sebagaimana dinyatakan dalam perjanjian antara lain *Energy Charge* dan *Capacity Charge*.

The electricity power price per kWh for gas, MFO and coal power plants are determined by certain formulas as stated in the agreement which regulates, among other subjects, capital cost recovery, fixed operation and maintenance cost payment, fuel expense and variable operation and maintenance cost payment. For geothermal heat power plants, the electricity power price is determined by a certain formula as stated in the agreement, involving, among other things, Energy Charge and Capacity Charge.

c. Perolehan barang modal

Pada tanggal 31 Desember 2016, jumlah ikatan perolehan barang modal berdasarkan kontrak, terutama sehubungan dengan pengadaan pembangkitan, jaringan transmisi dan distribusi adalah sebagai berikut:

c. Capital expenditures

As of December 31, 2016, total commitments on capital expenditures based on contracts, which are related to procurement of power plants, transmissions and distributions are as follows:

	Mata uang/ <i>Currencies</i>	Jumlah dalam mata uang asing/ <i>Amount in foreign currencies *)</i>	Setara Rupiah/ <i>Rupiah equivalent</i>	
Program percepatan				<i>Fast track program</i>
Kontrak pembangkitan	US\$	57,427,409	771,595	<i>Power plant contracts</i>
	Rupiah	--	1,129,101	
			<u>1,900,696</u>	
Kontrak transmisi	Rupiah	--	<u>58,534</u>	<i>Transmission contracts</i>
Kontrak konstruksi rutin	US\$	324,218,675	4,356,202	<i>Regular construction contracts</i>
	EUR	32,342,095	458,029	
	JPY	4,997,811,234	574,748	
	NZD	542,100	5,074	
	Rupiah	--	25,148,382	
			<u>30,542,435</u>	

*) Dalam jumlah penuh/ *in full amount*

Jumlah diatas adalah diluar dari nilai tersisa pembayaran dimuka yang sudah dibayarkan oleh Perusahaan dan entitas anak sesuai dengan masing-masing kontrak, yang nantinya akan mengurangi pembayaran di masa depan yang dilakukan oleh Perusahaan dan entitas anak.

The above amount excludes the remaining advance payments that has been paid by the Company and its subsidiaries in accordance with the respective contracts, which then will reduce future payments to be made by the Company and its subsidiaries.

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Program Percepatan

Berdasarkan Peraturan Presiden Republik Indonesia No. 71 Tahun 2006 tanggal 5 Juli 2006 yang kemudian diubah melalui Peraturan Presiden Republik Indonesia No. 59 Tahun 2009 tanggal 23 Desember 2009, Pemerintah menugaskan Perusahaan untuk membangun Pembangkit Listrik Tenaga Uap (PLTU) berbahan bakar batubara di 42 lokasi di Indonesia, meliputi 10 pembangkit dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 32 pembangkit dengan jumlah kapasitas 2.769 MW di luar Jawa - Bali.

Kontrak Pembangkitan

Pada tanggal 31 Desember 2016, Perusahaan telah menandatangani 37 kontrak EPC meliputi 10 pembangkit tenaga listrik dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 27 pembangkit tenaga listrik dengan jumlah kapasitas 2.489 MW di luar Jawa - Bali. Berdasarkan kontrak EPC tersebut, Perusahaan diharuskan membayar uang muka sekitar 15% dari nilai kontrak dan 85% akan didanai melalui fasilitas kredit perbankan.

Sampai dengan tanggal 31 Desember 2016, Perusahaan telah membayar uang muka sebesar US\$874.648.577 dan Rp4.790.016 untuk 35 kontrak EPC yang dicatat sebagai pekerjaan dalam pelaksanaan (Catatan 6). Uang muka tersebut didanai dari hasil penerbitan Obligasi Terjamin dan penarikan fasilitas kredit program percepatan.

Kontrak Transmisi

Kontrak transmisi merupakan kontrak untuk peningkatan dan pembangunan transmisi baru dan gardu induk di Jawa dan luar Jawa. Proyek ini dibiayai melalui dana sendiri dan penarikan fasilitas kredit perbankan.

Kontrak Konstruksi Rutin

Ikatan pengadaan barang modal untuk konstruksi rutin merupakan kontrak yang telah ditandatangani untuk tambahan pembangkit listrik dan pengembangan jaringan transmisi dan distribusi. Proyek ini dibiayai melalui dana sendiri dan pihak luar melalui pinjaman luar negeri, bantuan dan proyek investasi sebagai bagian dari anggaran belanja negara.

Fast Track Program

Based on the Presidential Regulation of the Republic of Indonesia No. 71 Year 2006 dated July 5, 2006 which was amended by the Presidential Regulation of the Republic of Indonesia No. 59 dated December 23, 2009, the Government mandates the Company to build coal-fired Steam Power Plants (PLTU) at 42 locations in Indonesia, which include 10 power plants with aggregate capacity of 7,490 MW in Java - Bali and 32 power plants with aggregate capacity of 2,769 MW outside Java - Bali.

Power Plant Contracts

As of December 31, 2016, the Company signed 37 EPC contracts which consist of 10 electricity power plants with aggregate capacity of 7,490 MW in Java - Bali and 27 electricity power plants with aggregate capacity of 2,489 MW outside Java - Bali. Under the terms of such contracts, the Company is required to pay the contractor a down payment, which is approximately 15% of the contract price and the remaining 85% will be funded through credit facilities from banks.

Until December 31, 2016, the Company made a total down payment of US\$874,648,577 and Rp4,790,016 for 35 EPC contracts which is recorded as construction in progress (Note 6). Such down payments are funded by the proceeds of the issued Guaranteed Notes and withdrawal of credit facilities for the fast track program.

Transmission Contracts

Transmission contracts are contracts for upgrading and constructing new transmission and sub-stations in Java and outside Java. These projects are financed by the Company's own funds and withdrawal of credit facilities from banks.

Regular Construction Contracts

Capital expenditure commitments for regular construction represent project contracts signed for additional electricity generating plants and development of the transmission and distribution network. These projects are financed by the Company's own funds and other external funding through offshore loans, grants and investment projects from the State budget.

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**d. Fasilitas pinjaman belum digunakan
Penerusan pinjaman**

**d. Unused loan facilities
Two-step loans**

<u>Mata uang/ Currency</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>
US\$	2,053,139,108	27,585,977
EUR	50,914,891	721,034
JPY	103,290,117,917	11,920,181
Jumlah/ Total		<u>40,227,192</u>

*) Dalam jumlah penuh/ In full amounts

Pada tanggal 31 Desember 2016, fasilitas pinjaman belum digunakan setara Rp18.309.809 dikenakan provisi sebesar 0,10% - 0,40% per tahun, sedangkan fasilitas sebesar Rp21.917.383 tidak dikenakan provisi. Fasilitas ini berakhir antara tahun 2016 sampai dengan 2055.

As of December 31, 2016 the unused facilities equivalent to Rp18,309,809 bear a provision charge of 0.10% - 0.40% per annum, while the remaining facilities of Rp21,917,383 do not bear any provision charge. These facilities will be due between 2016 and 2055.

Perjanjian pinjaman program percepatan
Tujuan fasilitas pinjaman ini adalah untuk membiayai 85% dari nilai kontrak EPC untuk program percepatan. Jangka waktu pinjaman termasuk periode penyediaan kredit selama 36 bulan, dan sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Peraturan Presiden Republik Indonesia (PP) No. 91 Tahun 2007 pengganti dari PP No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik Yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan diwajibkan memenuhi batasan-batasan umum.

Loan agreements for fast track program
The purpose of these loan facilities is to finance 85% of the contract price of EPC for the fast track program. The term of the loan includes preparation of credit for 36 months and is fully guaranteed by the Government of the Republic of Indonesia in accordance with Presidential Regulation of the Republic of Indonesia (PP) No. 91 Year 2007, superseding No. 86 Year 2006, regarding Grant of Government Guarantee for Construction of Coal-Fired Power Plant. In connection with these loans, the Company is obliged to comply with general restrictions.

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, rincian fasilitas pinjaman untuk membiayai program percepatan adalah sebagai berikut:

As of the date of the issuance of the consolidated financial statements, details of loan facilities to finance the fast track program are as follows:

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No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility *)	Fasilitas pinjaman belum digunakan/ Unused loan facilities *)	Tingkat bunga per tahun/ Interest rate per annum	Tanggal perjanjian/ Date of agreement	Tahun/ Year **)
<u>Fasilitas pinjaman dalam Rupiah/ Rupiah loan facilities</u>						
1	PT Bank DKI PLTU Naganraya PLTU 2 Nusa Tenggara Timur/ East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/ West Nusa Tenggara PLTU Sumatera Barat/ West Sumatera PLTU 2 Kalimantan Barat/ West Kalimantan PLTU 4 Bangka Belitung PLTU Maluku Utara/ North Maluku PLTU Sulawesi Tengah/ Central Sulawesi PLTU 1 Nusa Tenggara Timur/ East Nusa Tenggara PLTU 2 Sulawesi Utara/ North Sulawesi PLTU Gorontalo PLTU 2 Nusa Tenggara Barat/ West Nusa Tenggara PLTU 1 Kalimantan Tengah/ Central Kalimantan	4,732,000	594,182	1% + JIBOR 3 bulanan/ 3 months	24 April 2009/ April 24, 2009	10
2	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank DKI PLTU Riau Tenayan	2,225,000	145,497	1,50% + JIBOR 3 bulanan/ 3 months	12 November 2015/ November 12, 2015	10
3	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Kalimantan Timur/ East Kalimantan	2,449,963	313,154	1,20% + JIBOR 3 bulanan/ 3 months	17 Desember 2015/ December 17, 2015	10
		<u>9,406,963</u>	<u>1,052,833</u>			

*) Dalam jutaan/ In million

**) Termasuk masa tenggang/ Include grace period

Perjanjian pinjaman tidak terkait program
percepatan
Sampai dengan tanggal penerbitan
laporan keuangan konsolidasian, rincian
fasilitas pinjaman tidak terkait program
percepatan adalah sebagai berikut:

Loan agreements for non-fast track
program
As of the date of the issuance of the
consolidated financial statements, details
of loan facilities non-related to the fast
track program are as follows:

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility *)	Fasilitas pinjaman belum digunakan/ Unused loan facilities *)	Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance premium *)	Tanggal perjanjian/ Date of agreement	Tahun/ Year **)
<u>Fasilitas pinjaman dalam US\$/ US\$ loan facilities</u>							
1	Asian Development Bank Gardu induk/ Grid	575	374	0,6% - 0,1% + LIBOR 6 bulanan/ 6 months	--	4 Desember 2015/ December 4, 2015	20
2	Asian Development Bank Gardu induk/ Grid	25	16	1,4 % + LIBOR 6 bulanan/ 6 months	--	4 Desember 2015/ December 4, 2015	20
3	Japan Bank for International Cooperation PLTU Lontar Extension	107	105	2,85% + 1,06%	--	14 Maret 2015/ March 14, 2015	15,5
4	Japan Bank for International Cooperation PLTU Lontar Extension	72	70	1,1% + LIBOR 6 bulanan/ 6 months	4,8	14 Maret 2015/ March 14, 2015	15,5
5	International Bank for Reconstruction and Development Power distribution development program	500	500	Reference Rate for Loan Curr + Var. Spread	--	20 Mei 2016/ May 20, 2016	30
6	The Export-Import Bank of Korea dan/ and ING Bank, a Branch of ING-DiBa AG PLTGU Grati	36	36	2,35% + LIBOR 6 bulanan/ 6 months	--	24 Juni 2016/ June 24, 2016	14,5
7	The Export-Import Bank of Korea dan/ and ING Bank, a Branch of ING-DiBa AG PLTGU Grati	35	35	0,98% + LIBOR 6 bulanan/ 6 months	2,3	24 Juni 2016/ June 24, 2016	14,5
8	ING Bank, a Branch of ING-DiBa AG PLTGU Grati	17	17	0,98% + LIBOR 6 bulanan/ 6 months	1,1	24 Juni 2016/ June 24, 2016	14,5
9	Japan Bank for International Cooperation PLTU Jawa 2 Priok	27	27	3,52%	0,2	20 Oktober 2016/ October 20, 2016	15
10	Japan Bank for International Cooperation PLTU Jawa 2 Priok	18	18	0,7% + LIBOR 6 bulanan/ 6 months	0,1	20 Oktober 2016/ October 20, 2016	15
11	Export Development Canada dan/ and Hungaria Export Import Bank Private Limited Company Batam Mobile Power Plant	436	40	2,56%	27,6	2 Desember 2016/ December 2, 2016	12
Jumlah dalam US\$/ Total in US\$		<u>1,848</u>	<u>1,238</u>			<u>36,1</u>	

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<i>Fasilitas pinjaman dalam EUR/ EUR loan facilities</i>							
1	Agence Francaise De Developpement Transmission Jakarta	100	100	0,2 % + EURIBOR 6 bulanan/ 6 months	--	7 Mei 2015/ May 7, 2015	15
2	Agence Francaise De Developpement Jakarta's grid low carbon master plan study	1	1	0%	--	7 Mei 2015/ May 7, 2015	5
3	Kreditanstalt fur Wiederaufbau Rehabilitation of unit 3x4 of Suralaya Power Plant	175	175	2.20%	--	8 Mei 2015/ May 8, 2015	12
4	Kreditanstalt fur Wiederaufbau 1000 Islands Renewable Energy	65	65	2.20%	--	8 Mei 2015/ May 8, 2015	15
5	Kreditanstalt fur Wiederaufbau Rehabilitation of PLTG Kamojang	60	60	1.70%	--	8 Mei 2015/ May 8, 2015	15
6	Kreditanstalt fur Wiederaufbau Transmisi/ Transmission	45	45	1.65%	--	23 Mei 2016/ May 23, 2016	13
7	ING Bank, a Branch of ING-DiBa AG dan/ and Societe Generale PLTGU Grati	40	40	1.09% + biaya tambahan/ Mandatory cost	3	24 Juni 2016/ June 24, 2016	14.5
Jumlah dalam EUR/ Total in EUR		486	486		3		
<i>Fasilitas pinjaman dalam JPY/ JPY loan facilities</i>							
1	Japan Bank for International Cooperation PLTU Lontar Extension	16,430	16,430	1,03% + 0,55%	441	14 Maret 2016/ March 14, 2016	15.5
2	Japan Bank for International Cooperation PLTU Jawa 2 Priok	31,763	31,763	1,58%	416	20 Oktober 2016/ October 20, 2016	15
Jumlah dalam JPY/ Total in JPY		48,193	48,193		857		
<i>Fasilitas pinjaman dalam Rupiah/ Rupiah loan facilities</i>							
1	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by PT Bank Rakyat Indonesia Corporate loan KMK 2011	28,000,000	14,500,000	2,45% + Rata-rata deposito berjangka 3 bulanan/ Average time deposit 3 months	--	17 November 2016/ November 17, 2016	1
2	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by PT Bank Mandiri Corporate loan 2016	12,000,000	5,601,928	1,92% + JIBOR 3 bulanan/ 3 months	--	19 Desember 2016/ December 19, 2016	10
Jumlah dalam Rupiah/ Total in Rupiah		40,000,000	20,101,928		--		

*) Dalam jutaan/In million

**) Termasuk masa tenggang/Include grace period

e. Program operasi dan pemeliharaan
Untuk meningkatkan dan memulihkan daya guna unit pembangkit sampai pada tingkat tertentu, Perusahaan menandatangani *Operation and Maintenance Agreement* dengan beberapa kontraktor. Nilai kontrak terdiri dari porsi tetap dan tidak tetap. Kontraktor diharuskan memenuhi target tertentu dan akan dikenakan denda jika target tersebut tidak tercapai. Komitmen dengan kontraktor untuk porsi tetap adalah sebagai berikut:

e. Operation and maintenance programs
In order to improve and restore the performance of generator units up to a certain level, the Company has entered into *Operation and Maintenance Agreements* with contractors. The contract payment comprises fixed and variable portions. The contractors have to meet certain targets and will be charged a penalty if these targets are not met. The commitments with the contractors for the fixed portion are as follows:

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Pembangkitan/ <i>Power plant</i>	Kontraktor/ <i>Contractors</i>	Nilai kontrak setara/ <i>Contract amount equivalent</i> Rp	Periode/ <i>Period</i>
PLTU Tanjung Jati B	PT Komipo Pembangkitan Jawa Bali	2,618,958	2010-2032
PLTU Tanjung Jati B	Konsorsium/ <i>consortium of</i> Fortum Service OY & PT Medco Energy	1,082,118	2005-2030
Jumlah/Total		<u>3,701,076</u>	

f. Litigasi

- (i) Pada tahun 2001, Hendrik Meinder Nelwan dan kawan-kawan mengajukan gugatan ganti rugi atas tanah ahli waris yang telah dipergunakan Perusahaan sebagai PLTA Tonselama sebesar Rp54.000.000 di Pengadilan Negeri Manado. Dalam proses berperkara, mulai dari Tingkat Pertama sampai dengan Tingkat Peninjauan Kembali di Mahkamah Agung RI Perusahaan kalah.

Pada saat akan dilakukan Eksekusi oleh PN Manado, Perusahaan melakukan Gugatan Perlawanan atas Eksekusi (Derden Verzet) terhadap tanah tersebut mengingat Perusahaan merupakan bezitter yang baik dengan menguasai tanah serta mengoperasikan PLTA Tonsea Lama selama lebih dari 50 tahun. Saat ini perkara Derden Verzet tersebut di tingkat Peninjauan Kembali telah diputus bahwa Perusahaan kalah.

Perusahaan melaporkan perbuatan tindak pidana pemalsuan dokumen terhadap Hendrik Meinder Nelwan (Penggugat) atas dokumen yang digunakan sebagai alat bukti dalam perkara perdata. Saat ini laporan pidana tersebut telah diputus pada tingkat Kasasi dengan amar putusan Hendrik Meinder Nelwan terbukti secara sah dan meyakinkan melakukan tindak pidana menggunakan dokumen palsu dalam perkara perdata PLTA Tonsea Lama.

Atas putusan pidana tersebut, Ketua Pengadilan Negeri Manado mengeluarkan Penetapan yang menyampaikan eksekusi PLTA Tonsea Lama dapat dilaksanakan

f. Litigation

- (i) In 2001, Hendrik Nelwan and co-claimants filed claims for compensation for the heirs to the land rights that has been utilized by the Company as hydroelectric power plant PLTA Tonselama, amounting to Rp54,000,000 in the District Court of Manado. In the process of court trial from District Court to Reconsideration in the Supreme Court, the Company lost.

In the preparation of Execution by District Court of Manado, the Company filed a Third Resistance of the Execution (Derden Verzet) of the land rights considering the Company is a good bezitter that has been effectively controlling and operating PLTA Tonselama for more than 50 years. The Derden Verzet is still in the process of Reconsideration in the Supreme Court of the Republic of Indonesia and the Company loss.

The Company has filed claims for criminal action about fake documents in the name of Hendrik Meinder Nelwan that were used as evidence materials against the Company for civil action. The Supreme Court of the Republic of Indonesia has ruled that Hendrik Meinder Nelwan is proven and reassured of doing a criminal action by using fake documents.

For that ruling, the chief of the District Court of Manado has released a verdict state that the execution of PLTA Tonselama has to wait for the verdict from the Criminal Court. The

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apabila putusan Kasasi pengadilan Pidana berkekuatan hukum tetap. Selanjutnya berdasarkan putusan kasasi pidana pemalsuan dokumen perkara PLTA Tonselama tidak dieksekusi.

- (ii) Pada tahun 2012, Perusahaan menghadapi gugatan perbuatan melawan hukum di Pengadilan Negeri Jakarta Selatan yang diajukan oleh PT Meta Epsi sehubungan dengan Penggugat meminta bank garansi di Bank Niaga untuk tidak dicairkan kepada Perusahaan. Nilai gugatan sebesar Rp83.300 dan Rp5. Pada tanggal 14 Maret 2013, Pengadilan Negeri Jakarta Selatan menerima gugatan penggugat. Pada tanggal 19 Maret 2013, Perusahaan menyatakan banding ke Pengadilan Tinggi DKI Jakarta. Pada tanggal 27 Oktober 2014, Pengadilan Tinggi Jakarta, mengabulkan banding Perusahaan dan membatalkan putusan Pengadilan Negeri Jakarta Selatan. Pada tanggal 27 Januari 2016 Perusahaan memenangkan perkara ini di tingkat kasasi.
- (iii) Pada tanggal 26 Desember 2012 Perusahaan menghadapi gugatan perbuatan melawan hukum yang diajukan oleh PT Modaco Enersys dan PT Angkasa Buana Cipta terkait Penggugat merasa dirugikan karena Perusahaan selaku tergugat memberikan rancangan pekerjaan pembangunan PLTU 1 Nusa Tenggara Barat (2x10MW) Bima yang dirasa keliru sehingga penggugat tidak dapat melanjutkan pembangunannya. Nilai tuntutan ganti rugi sebesar Rp61.927. Pada tanggal 19 Februari 2014, Pengadilan Negeri Jakarta Selatan menolak gugatan penggugat, dan selanjutnya penggugat mengajukan banding ke Pengadilan Tinggi Jakarta pada tanggal 3 Maret 2014. Perusahaan memenangkan perkara ini di tingkat banding. Penggugat telah melanjutkan kasasi ke Mahkamah Agung Republik Indonesia dan saat ini masih menunggu proses kasasi.

final verdict of the Criminal Casation has ruled that the Company won and PLTA Tonselama will not be executed.

- (ii) *In 2012, the Company faced unlawful acts from PT Meta Epsi in the District Court of South Jakarta relating to the plaintiff's claim to unwithdraw a bank guarantee account in Bank Niaga. The amount of the claim is Rp83,300 and Rp5. On March 14, 2013, the District Court of South Jakarta granted the plaintiff's claim. On March 19, 2013 the Company appealed to the High Court of DKI Jakarta. On October 27, 2014, the High Court of DKI Jakarta granted the Company's appeal and cancelled the ruling of the District Court of South Jakarta. On January 27, 2016 the Company won the appeal at the Cassation.*
- (iii) *On December 26, 2012, the Company faced claims for unlawful acts from PT Modaco Enersys and PT Angkasa Buana Cipta relating to the plaintiff's claim that the Company as defendants gave an unsuitable design for PLTU 1 West Nusa Tenggara (2x10MW) Bima. The amount of the claim is Rp61,927. On February 19, 2014, the District Court of South Jakarta refused the claim of plaintiff and consequently, the plaintiff submitted an appeal to High Court of Jakarta on March 3, 2014. The Company won the case in the appeal process. The plaintiff has further submitted an appeal to the Supreme Court of the Republic of Indonesia and currently is waiting for the appeal process.*

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- (iv) Pada tanggal 21 Agustus 2014, Perusahaan menghadapi gugatan yang diajukan oleh Ny. Nesah binti Sadih sehubungan dengan sengketa tanah PLTGU Muara Tawar. Nilai gugatan sebesar Rp59.264. Perusahaan memenangkan perkara ini di tingkat Pengadilan Negeri Jakarta Selatan. Kemudian penggugat mengajukan banding. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, perkara ini masih dalam proses banding di Pengadilan Tinggi Jakarta.
- (v) Pada tanggal 28 Januari 2015, Perusahaan menghadapi gugatan perdata yang diajukan oleh Jaya Bin Jaiyan sebesar Rp24.600 dan gugatan immaterial sebesar Rp50.000. Perusahaan memenangkan kasus ini di tingkat Pengadilan Negeri Bekasi. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, perkara ini masih dalam proses banding di tingkat Pengadilan Tinggi.
- (vi) Pada tanggal 11 Januari 2016, Perusahaan menghadapi gugatan dari Netti Pardosi dan Pandapotan Kasmin Simanjuntak terkait pembebasan lahan yang dilakukan Perusahaan atas tanah seluas 6,2 Ha untuk pembangunan PLTA Asahan III. Penggugat menuntut agar pembebasan lahan tersebut dibatalkan. Nilai gugatan ini sebesar Rp54.548. Pengadilan Negeri Balige menerima gugatan Penggugat dengan putusan tanggal 6 September 2016 dan PLN menyatakan banding pada tanggal 15 September 2016. Selanjutnya pada tanggal 7 Februari 2017, Pengadilan Tinggi Sumatera Utara menolak permohonan banding Perusahaan (Pembanding) dan menguatkan putusan Pengadilan Negeri Balige. Terhadap hasil putusan tersebut Perusahaan mengajukan kasasi ke Mahkamah Agung Republik Indonesia pada tanggal 17 April 2017 dan saat ini masih menunggu proses kasasi (Catatan 57).
- (iv) On August 21, 2014, the Company faced an unlawful act from Ny. Nesah binti Sadih relating to disputes regarding PLTGU Muara Tawar land rights. The amount of the claim was Rp59,264. The Company won the case in the District Court of South Jakarta, subsequently the plaintiff submitted an appeal. As of the date of the issuance of the consolidated financial statements, the case is still in appeal process in the High Court of Jakarta.
- (v) On January 28, 2015, the Company faced an unlawful act filed by Jaya Bin Jaiyan amounting to Rp24,600 and non-material loss amounting to Rp50,000. The Company won the case in the District Court of Bekasi. As of the date of the issuance of the consolidated financial statements, the case is still on appeal process in the High Court of Jakarta.
- (vi) On January 11, 2016, the Company faced a lawsuit from Netti Pardosi and Pandapotan Kasmin Simanjuntak related to land rights acquisition by the Company on an area of 6.2 Ha for construction of PLTA Asahan III. Plaintiffs demanded that the land rights acquisition to be cancelled. The lawsuit amounted to Rp54,458. District Court of Balige accepted the Plaintiff's suit on September 6, 2016 and PLN filed an appeal on September 15, 2016. Subsequently on February 7, 2017, the Sumatera Utara High Court rejected the Company's appeal and reinforced the result from District Court of Balige. The Company has further submitted an appeal on April 17, 2017 to the Supreme Court of the Republic of Indonesia and is currently waiting for the appeal process (Note 57).

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(vii) Perusahaan dan entitas anak juga menghadapi gugatan ganti rugi dalam jumlah yang tidak material di beberapa lokasi bangunan jaringan transmisi/ distribusi, perselisihan dengan karyawan, perkara dengan pelanggan dan pemasok. Manajemen berpendapat klaim-klaim tersebut tidak material dan tidak mempengaruhi kegiatan usaha Perusahaan.

(vii) The Company and its subsidiaries also face claims for compensation of losses, which are immaterial in amount, at several areas of the Company's transmission/ distribution facilities, disputes with the Company's employees and cases with customers and suppliers. Management believes that such claims are not material and will not significantly affect the Company' and its subsidiaries' operations.

Pada tanggal penyelesaian laporan keuangan konsolidasian, hasil litigasi-litigasi di atas belum dapat dipastikan dan estimasi andal tidak dapat ditentukan pada saat ini, atau Perusahaan memiliki dasar yang kuat dalam kasus ini karena keputusan pengadilan terakhir menguntungkan Perusahaan dan entitas anak, sehingga tidak ada provisi kerugian yang dibukukan dalam laporan keuangan konsolidasian ini.

As of the completion date of these consolidated financial statements, the results of the above litigations are either still uncertain and there are no reliable estimate that can be made at this point, or the Company has strong grounds supporting the case as the recent court decisions were in favour of the Company and subsidiaries, therefore no provision has been recorded in these consolidated financial statements.

**55. Instrumen Keuangan, Manajemen Risiko
Keuangan dan Risiko Modal**

**55. Financial Instruments, Financial Risk and
Capital Risk Management**

**a. Kategori dan klasifikasi instrumen
keuangan**

Tabel berikut ini mengungkapkan rincian instrumen keuangan Perusahaan dan entitas anak berdasarkan klasifikasi aset keuangan:

**a. Categories and classes of financial
instruments**

The following table discloses the details of the Company's and its subsidiaries' financial asset classifications:

	2016			
	Klasifikasi instrumen keuangan/ Financial instruments classification			
	Pinjaman yang diberikan dan piutang/ Loans and Receivables	Tersedia untuk dijual/ Available-for- Sale	Jumlah Aset dan Liabilitas Keuangan/ Total Financial Assets and Liabilities	
Aset keuangan				Financial assets
Aset tidak lancar				Noncurrent assets
Piutang pihak berelasi	263,064	--	263,064	Receivable from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,464,260	--	7,464,260	Restricted cash in banks and time deposits
Piutang lain-lain	350,465	--	350,465	Other receivables
Aset tidak lancar lainnya	--	967	967	Other noncurrent assets
Jumlah aset tidak lancar	8,077,789	967	8,078,756	Total noncurrent assets
Aset lancar				Current assets
Kas dan setara kas	41,909,223	--	41,909,223	Cash and cash equivalents
Investasi jangka pendek	374,771	--	374,771	Short-term investments
Piutang usaha	21,710,961	--	21,710,961	Trade receivables
Piutang subsidi listrik	12,446,110	--	12,446,110	Receivables on electricity subsidy
Piutang lain-lain	356,155	--	356,155	Other receivables
Piutang pihak berelasi	36,548	--	36,548	Receivables from related parties
Aset lancar lainnya	5,915	--	5,915	Other current assets
Jumlah aset lancar	76,839,683	--	76,839,683	Total current assets
Jumlah aset keuangan	84,917,472	967	84,918,439	Total financial assets

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2015			
Klasifikasi instrumen keuangan/ Financial instruments classification			
	Pinjaman yang diberikan dan piutang/ Loans and Receivables	Tersedia untuk dijual / Available- for-Sale	Jumlah Aset dan Liabilitas Keuangan/ Total Financial Assets and Liabilities
Aset keuangan			
Aset tidak lancar			
Piutang pihak berelasi	268,647	--	268,647
Rekening bank dan deposito berjangka dibatasi penggunaannya	8,796,977	--	8,796,977
Piutang lain-lain	68,993	--	68,993
Aset tidak lancar lain	--	1,687	1,687
Jumlah aset tidak lancar	9,134,617	1,687	9,136,304
Aset lancar			
Kas dan setara kas	23,596,339	--	23,596,339
Investasi jangka pendek	120,059	--	120,059
Piutang usaha	19,834,227	--	19,834,227
Piutang subsidi listrik	17,501,009	--	17,501,009
Piutang lain-lain	152,577	--	152,577
Piutang pihak berelasi	71,669	--	71,669
Jumlah aset lancar	61,275,880	--	61,275,880
Jumlah aset keuangan	70,410,497	1,687	70,412,184

Seluruh liabilitas keuangan milik Perusahaan dan entitas anak diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dengan rincian sebagai berikut:

All of the Company's and subsidiaries' financial liabilities are classified as financial liabilities measure at amortized cost, details are as follows:

	2016 Rp	2015 Rp	
Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi:			Amortised cost measured at financial liabilities:
Liabilitas jangka panjang			Non-current liabilities:
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun			Long-term liabilities - net of current maturities
Penerusan pinjaman	29,133,756	29,205,236	Two-step loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah Non Bank	7,257,810	8,194,693	Government and Non-Bank Government Financial Institution Loan
Utang sewa pembiayaan	17,933,075	149,621,763	Lease liabilities
Utang bank	100,362,498	77,828,870	Bank loan
Utang obligasi dan sukuk ijarah	68,824,683	80,043,338	Bonds payable and sukuk ijarah
Utang listrik swasta	7,315,422	7,093,280	Electricity purchase payable
Utang pihak berelasi	2,301	2,566	Payable to related parties
Utang lain-lain	155,781	67,678	Other payables
Jumlah liabilitas jangka panjang	230,985,326	352,057,424	Total noncurrent liabilities
Liabilitas jangka pendek			Current liabilities
Utang usaha	30,192,084	26,626,001	Trade payables
Uang jaminan langganan	12,049,554	11,324,898	Customers' security deposits
Biaya yang masih harus dibayar	4,484,742	5,794,422	Accrued expenses
Utang biaya proyek	384,739	1,113,825	Project cost payable
Utang jangka panjang jatuh tempo dalam satu tahun			Current maturities of long-term liabilities
Penerusan pinjaman	2,562,332	2,505,347	Two-step loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah Non Bank	1,043,793	293,793	Government and Non-Bank Government Financial Institution Loan
Utang sewa pembiayaan	3,789,317	6,759,138	Lease liabilities
Utang Bank	26,394,780	11,752,458	Bank loan
Utang obligasi dan sukuk ijarah	9,568,000	9,122,350	Bonds payable and sukuk ijarah
Utang listrik swasta	328,683	311,196	Electricity purchase payable
Utang lain-lain	15,716,446	17,932,260	Other payables
Jumlah liabilitas jangka pendek	106,514,470	93,535,688	Total current liabilities
Jumlah liabilitas keuangan	337,499,796	445,593,112	Total financial liabilities

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b. Manajemen risiko modal

Perusahaan dan entitas anak mengelola risiko modal untuk memastikan bahwa mereka akan mampu untuk melanjutkan kelangsungan usaha dan untuk memastikan pemenuhan batasan rasio kecukupan modal. Struktur modal Perusahaan dan entitas anak terdiri dari pinjaman (Catatan 23, 24, 25, 26, 27 dan 28) dan ekuitas pemegang saham induk, yang terdiri dari modal yang ditempatkan, saldo laba (Catatan 20), dan tambahan modal disetor (Catatan 21).

Dewan Direksi Perusahaan dan entitas anak secara berkala melakukan tinjauan struktur permodalan Perusahaan dan entitas anak. Sebagai bagian dari tinjauan ini, Dewan Direksi mempertimbangkan biaya permodalan dan risiko yang berhubungan.

Batasan pinjaman Perusahaan mensyaratkan antara lain pemenuhan rasio pinjaman terhadap ekuitas dan rasio kecukupan modal. Manajemen secara berkala memonitor persyaratan tersebut untuk memastikan tidak terdapat pelanggaran dalam batasan pinjaman Perusahaan.

Perusahaan dan entitas anak berusaha untuk meminimalkan biaya pinjaman sehingga dapat memaksimalkan nilai Perusahaan dan entitas anak. Oleh karena itu, kebijakan Perusahaan dan entitas anak dalam mencari pendanaan melalui utang selalu memperhitungkan risiko keuangan yang mungkin timbul di masa depan.

c. Tujuan dan kebijakan manajemen risiko keuangan

Tujuan dan kebijakan manajemen risiko keuangan Perusahaan dan entitas anak adalah untuk memastikan bahwa sumber daya keuangan yang memadai tersedia untuk operasi dan pengembangan bisnis, serta untuk mengelola risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Perusahaan dan entitas anak beroperasi dengan kebijakan yang telah ditentukan oleh Dewan Direksi.

b. Capital risk management

The Company and its subsidiaries manage capital risk to ensure that they will be able to continue as a going concern and to ensure compliance with the covenants of the capital adequacy ratio. The Company and its subsidiaries' capital structure consists of debt (Notes 23, 24, 25, 26, 27 and 28) and equity shareholders of the holding that consists of capital stock, retained earnings (Note 20) and additional paid-in capital (Note 21).

The Board of Directors of the Company and its subsidiaries periodically review the Company and its subsidiaries' capital structure. As part of this review, the Board of Directors considers the cost of capital and related risks.

The Company's loan covenants require among other things, the fulfillment of a certain debt to equity ratio and capital adequacy ratio. Management regularly monitors such requirements to ensure that there are no defaults on the loans of the Company.

The Company and its subsidiaries aim to minimize the cost of debt in order to maximize their value. Therefore, in their financing policies, the Company and its subsidiaries always take into account the financial risk that may arise in the future.

c. Financial risk management objectives and policies

The objectives and policies of the Company and its subsidiaries' financial risk management are to ensure that adequate financial resources are available for the operation and development of their business, while managing their exposure to market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company and its subsidiaries operate within defined policies approved by the Board of Directors.

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Dalam pengelolaan risiko, Perusahaan membentuk Divisi Manajemen Risiko dan Kepatuhan ("DIVMRK") yang bertanggung jawab terhadap penyusunan kebijakan, kerangka kerja, pedoman penerapan manajemen risiko dan infrastruktur pengelolaan risiko, serta memastikan implementasi manajemen risiko tersebut di lingkungan Perusahaan. Divisi ini juga bertugas untuk memfasilitasi penyusunan profil risiko yang bersifat strategis sebagai himbauan awal kepada manajemen Perusahaan dan entitas anak. DIVMRK bertanggung jawab kepada Direktur Perencanaan Korporat ("DIRREN").

Perusahaan telah menetapkan taksonomi risiko dengan membagi risiko menjadi lima kelompok yaitu risiko strategis, risiko keuangan, risiko operasional, risiko proyek, dan risiko kepatuhan. Risiko keuangan diantaranya adalah risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Dalam mengelola risiko, Perusahaan mempertimbangkan skala prioritas yang didasarkan pada tingkat risikonya. Tingkat risiko ditentukan berdasarkan tingkat kemungkinan terjadinya dan skala dampak yang ditimbulkan.

Terkait dengan risiko keuangan, Perusahaan telah menetapkan kebijakan manajemen untuk melakukan transaksi lindung nilai. Sebagai salah satu BUMN, kebijakan manajemen yang telah disetujui menjadi sangat penting agar tidak timbul masalah pada waktu pelaksanaan akuntansi lindung nilai tersebut. Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan konsolidasian berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar dengan menggunakan kurs Bloomberg pada tanggal laporan. Aset dan liabilitas derivatif disajikan sebesar keuntungan maupun kerugian yang belum direalisasi dari kontrak derivatif. Kontrak derivatif Perusahaan dan entitas anak diklasifikasikan sebagai Aset Keuangan yang diukur pada nilai wajar melalui laporan laba rugi. Transaksi ini semata-mata dimaksudkan untuk memitigasi risiko nilai tukar, tidak untuk diperdagangkan, dan memastikan ketersediaan likuiditas

In managing those risks, the Company established a Risk Management and Compliance Division ("DIVMRK") which is responsible for the preparation of the policies, the relevant frameworks, implementation guideline and the necessary risk management infrastructure to ensure the implementation of risk management in the Company's environment. The division is also established to facilitate a strategic risk profile as an early warning to the Company and its subsidiaries' management. DIVMRK is responsible to the Corporate Planning Director ("DIRREN").

The Company has established risk taxonomy by dividing risk into five categories: strategic risk, financial risk, operational risk, project risk and compliance risk. Financial risk includes market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. In managing those risks, the Company considers prioritization based on risk level. Risk level is determined by the level of possibility and scale of potential impact.

Related to financial risks, the Company has established management's policy related to hedging transactions. As an SOE, the approved management policy is very important in order to avoid any issues that may arise during the implementation of such hedging programs. All derivative instruments are recognized in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using the Bloomberg rate at the reporting date. Derivative assets or liabilities are presented at the amount of unrealized gain or loss from derivative contracts. The Company and its subsidiaries derivative contracts are classified as Financial Assets measured in fair value through profit and loss ("FVTPL"). These transactions are solely intended for mitigating foreign exchange risk, not for trading and ensuring the availability of foreign currency liquidity for principal and interest payment due in the 1-3 months of the Company and its

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valas untuk pembayaran sebagian kewajiban valas yang jatuh tempo dalam jangka waktu 1-3 bulan pada periode pelaporan Perusahaan dan entitas anak. Lihat Catatan 3 untuk kebijakan akuntansi untuk aset keuangan dan liabilitas keuangan dan Catatan 55 untuk klasifikasi instrumen keuangan. Perusahaan dan entitas anak tidak menerapkan akuntansi lindung nilai atas transaksi-transaksi tersebut.

i. Manajemen risiko mata uang asing

Perusahaan dan entitas anak memiliki banyak transaksi dan sumber pendanaan dalam mata uang asing. Sebagai akibatnya timbul eksposur terhadap fluktuasi nilai tukar mata uang asing.

Perusahaan telah melakukan diskusi dengan Bank Indonesia ("BI") untuk mendapatkan pemahaman komprehensif atas keadaan pasar. Perusahaan kemudian akan mempertimbangkan keadaan pasar ke dalam proyeksi keuangan internal mereka dan mengembangkan strategi yang telah disetujui bersama untuk memitigasi eksposur risiko mata uang asing dengan membeli instrumen mata uang asing yang dibutuhkan disaat yang tepat.

Jumlah eksposur mata uang asing bersih Perusahaan dan entitas anak pada tanggal pelaporan diungkapkan dalam Catatan 52.

Sensitivitas mata uang asing

Tabel di bawah ini memaparkan rincian sensitivitas Perusahaan dan entitas anak untuk setiap 10% kenaikan dan penurunan Rupiah terhadap mata uang asing yang relevan. Kenaikan dan penurunan 10% menggambarkan penilaian manajemen terhadap perubahan yang rasional pada nilai tukar dengan mempertimbangkan kondisi ekonomi saat ini. Analisis sensitivitas ini mencakup saldo item moneter setelah pajak dalam mata uang asing dan menyesuaikan translasi pada akhir tahun untuk 10% perubahan dalam nilai tukar mata uang asing.

subsidiaries reporting period. Refer to Note 3 for the accounting policy of financial assets and liabilities, as well as Note 55 for the financial instruments classification. The Company and its subsidiaries does not apply hedge accounting on those transactions.

i. Foreign currency risk management

The Company and its subsidiaries undertake many transactions and funding sources denominated in foreign currencies. Consequently, there is exposures to exchange rate fluctuations.

The Company held regular discussions with Bank Indonesia ("BI") to get a comprehensive understanding of the market outlook. The Company then incorporated this outlook into its internal financial forecast and developed a concerted strategy to mitigate its foreign currency exposure by purchasing the required foreign currency denominated instruments at the right time.

The Company and its subsidiaries foreign currency exposure as of the reporting date is disclosed in Note 52.

Foreign currency sensitivity

The following table explains the details of the Company's and its subsidiaries' sensitivity to a 10% increase and decrease in Rupiah against the relevant foreign currencies. This 10% increase or decrease represents management's assessment of the reasonably possible changes in foreign currency rates considering the current economic conditions. The sensitivity analysis includes after tax outstanding foreign denominated monetary items and adjusts their translation at the end of the year for a 10% change in foreign currency rates.

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Analisa sensitifitas ini tidak memperhitungkan dampak dan perubahan kurs mata uang asing yang dapat dikapitalisasi sebagai aset pekerjaan dalam penyelesaian sesuai dengan PSAK 26, Biaya Pinjaman.

This sensitivity analysis does not consider the potential changes to the amount of foreign exchange differences that can be capitalized as construction in progress assets in accordance with SFAS 26, Borrowing Costs.

Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
2016					
	USD		JPY		
	10%	-10%	10%	-10%	
Aset Keuangan					Assets
Piutang pihak berelasi	19,043	(19,043)	--	--	Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	45,268	(45,268)	509,802	(509,802)	Restricted cash in banks and time deposits
Kas dan setara kas	179,879	(179,879)	10,584	(10,584)	Cash and cash equivalents
Jumlah aset keuangan	<u>244,190</u>	<u>(244,190)</u>	<u>520,386</u>	<u>(520,386)</u>	Total financial assets
Liabilitas Keuangan					Liabilities
Penerusan pinjaman	(759,783)	759,783	(1,557,056)	1,557,056	Two-step loans
Utang sewa pembiayaan	--	--	(1,629,179)	1,629,179	Lease liabilities
Utang bank	(3,012,082)	3,012,082	--	--	Bank loans
Utang obligasi dan sukuk ijarah	(5,038,500)	5,038,500	--	--	Bonds payable and sukuk ijarah
Utang listrik swasta	(573,308)	573,308	--	--	Electricity purchase payable
Utang lain-lain	(422,138)	422,138	--	--	Other payables
Utang biaya proyek	(19,537)	19,537	(515)	515	Project cost payable
Utang usaha	(420,073)	420,073	(277)	277	Trade payables
Biaya masih harus dibayar	(114,151)	114,151	(36,338)	36,338	Accrued expenses
Jumlah liabilitas keuangan	<u>(10,359,572)</u>	<u>10,359,572</u>	<u>(3,223,365)</u>	<u>3,223,365</u>	Total financial liabilities
Jumlah - bersih	<u>(10,115,382)</u>	<u>10,115,382</u>	<u>(2,702,979)</u>	<u>2,702,979</u>	Total - net

Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
2016					
	EUR		Lain-lain/Others **)		
	10%	-10%	10%	-10%	
Aset Keuangan					Assets
Kas dan setara kas	7,752	(7,752)	461	(461)	Cash and cash equivalents
Jumlah aset keuangan	<u>7,752</u>	<u>(7,752)</u>	<u>461</u>	<u>(461)</u>	Total financial assets
Liabilitas Keuangan					Liabilities
Penerusan pinjaman	(42,222)	42,222	(13,305)	13,305	Two-step loans
Utang bank	(151,485)	151,485	--	--	Bank loans
Utang lain-lain	(50,392)	50,392	(8,252)	8,252	Other payables
Utang biaya proyek	(3,571)	3,571	--	--	Project cost payable
Utang usaha	(11,654)	11,654	(5,121)	5,121	Trade payables
Biaya masih harus dibayar	(1,207)	1,207	(140)	140	Accrued expenses
Jumlah liabilitas keuangan	<u>(260,531)</u>	<u>260,531</u>	<u>(26,818)</u>	<u>26,818</u>	Total financial liabilities
Jumlah - bersih	<u>(252,779)</u>	<u>252,779</u>	<u>(26,357)</u>	<u>26,357</u>	Total - net

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Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
2015					
	USD		JPY		
	10%	-10%	10%	-10%	
Aset keuangan					Financial Assets
Piutang pihak berelasi	21,726	(21,726)	--	--	Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	45,984	(45,984)	612,056	(612,056)	Restricted cash in banks and time deposits
Kas dan setara kas	184,015	(184,015)	5,542	(5,542)	Cash and cash equivalents
Jumlah aset keuangan	251,725	(251,725)	617,598	(617,598)	Total financial assets
Liabilitas keuangan					Financial Liabilities
Penerusan pinjaman	(664,009)	664,009	(1,617,445)	1,617,445	Two-step loans
Utang sewa pembiayaan	(9,586,677)	9,586,677	(1,875,167)	1,875,167	Lease liabilities
Utang bank	(2,832,423)	2,832,423	--	--	Bank loans
Utang obligasi dan sukuk ijarah	(5,742,169)	5,742,169	--	--	Bonds payable and sukuk ijarah
Utang listrik swasta	(555,331)	555,331	--	--	Electricity purchase payable
Utang lain-lain	(493,365)	493,365	(7,730)	7,730	Other payables
Utang biaya proyek	(63,520)	63,520	(3,370)	3,370	Project cost payable
Utang usaha	(344,721)	344,721	--	--	Trade payables
Biaya masih harus dibayar	(289,018)	289,018	(42,352)	42,352	Accrued expenses
Jumlah liabilitas keuangan	(20,571,233)	20,571,233	(3,546,064)	3,546,064	Total financial liabilities
Jumlah - bersih	(20,319,508)	20,319,508	(2,928,466)	2,928,466	Total - net
Dampak terhadap laba setelah pajak/ Effect to profit after tax *)					
2015					
	EUR		Lain-lain/Others **)		
	10%	-10%	-10%	-10%	
Aset Keuangan					Financial Assets
Kas dan setara kas	21,274	(21,274)	488	(488)	Cash and cash equivalents
Jumlah aset keuangan	21,274	(21,274)	488	(488)	Total financial assets
Liabilitas Keuangan					Financial Liabilities
Penerusan pinjaman	(64,161)	64,161	(17,944)	17,944	Two-step loans
Utang bank	(103,328)	103,328	--	--	Bank loans
Utang lain-lain	--	--	(23,888)	23,888	Other payables
Utang biaya proyek	(8,946)	8,946	--	--	Project cost payable
Utang usaha	(1,975)	1,975	--	--	Trade payables
Biaya masih harus dibayar	(1,148)	1,148	(179)	179	Accrued expenses
Total liabilitas keuangan	(179,558)	179,558	(42,011)	42,011	Total financial liabilities
Jumlah - bersih	(158,284)	158,284	(41,523)	41,523	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman
**) Dalam mata uang asing lainnya disajikan dalam jumlah setara Rp menggunakan kurs tanggal pelaporan

*) Not considering the effect of borrowing cost capitalization
**) Denominated in other foreign currency are presented as Rp equivalent using the exchange rates prevailing at reporting dates

ii. Manajemen risiko tingkat suku bunga

Perusahaan dan entitas anak memiliki transaksi pada tingkat suku bunga tetap dan tingkat suku bunga mengambang. Transaksi dengan tingkat suku bunga mengambang terekspos terhadap risiko suku bunga arus kas. Pinjaman yang diterbitkan dengan tingkat suku bunga tetap mengekspos Perusahaan dan entitas anak dengan risiko suku bunga nilai wajar. Perusahaan dan entitas anak mengelola risiko dengan menyeimbangkan porsi pinjaman dengan bunga tetap dan bunga mengambang.

ii. Interest rate risk management

The Company and its subsidiaries have transactions at fixed and floating interest rates. Transactions at floating interest rates are exposed to cash flow interest rate risk. Borrowing issued at fixed rates exposes the Company and its subsidiaries to fair value interest risk. The Company and its subsidiaries manage the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

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Sensitivitas tingkat suku bunga

Analisis sensitivitas berikut telah ditentukan berdasarkan eksposur Perusahaan dan entitas anak terhadap tingkat suku bunga untuk saldo instrumen keuangan terutang setelah pajak pada tanggal pelaporan. Analisis ini disusun dengan mengasumsikan jumlah saldo aset dan liabilitas terutang pada akhir periode pelaporan, terutang sepanjang tahun. Analisis sensitivitas ini menggunakan asumsi kenaikan dan penurunan sebesar 50 basis poin pada tingkat bunga yang relevan dengan variabel lain dianggap konstan. Kenaikan dan penurunan sebesar 50 basis poin merupakan penilaian manajemen atas kemungkinan perubahan yang rasional terhadap tingkat bunga setelah mempertimbangkan kondisi ekonomi saat ini.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Company's and its subsidiaries' exposure to interest rates for financial instruments after tax outstanding at the reporting date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis uses an assumption of a 50 basis point increase and decrease in the relevant interest rates with all other variables held constant. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates after considering the current economic conditions.

	Dampak terhadap laba setelah pajak/ Effect to profit after tax 2016		
	+50 bp	-50 bp	
	Rp	Rp	
Aset Keuangan			Financial Assets
Kas dan setara kas	157,160	(157,160)	Cash and cash equivalents
Investasi jangka pendek	1,377	(1,377)	Short-term investments
Rekening dan deposito berjangka dibatasi penggunaannya	27,991	(27,991)	Restricted cash in banks and time deposits
Sub jumlah laba (rugi)	<u>186,528</u>	<u>(186,528)</u>	Sub total income (loss)
Liabilitas Keuangan			Financial Liabilities
Penerusan pinjaman	(29,087)	29,087	Two-step loans
Utang bank	(447,838)	447,838	Bank loans
Sub jumlah laba (rugi)	<u>(476,925)</u>	<u>476,925</u>	Sub total income (loss)
Jumlah laba (rugi)	<u>(290,397)</u>	<u>290,397</u>	Total income (loss)
	Dampak terhadap laba setelah pajak/ Effect to profit after tax 2015		
	+50 bp	-50 bp	
	Rp	Rp	
Aset Keuangan			Financial Assets
Kas dan setara kas	88,486	(88,486)	Cash and cash equivalents
Investasi jangka pendek	436	(436)	Short-term investments
Rekening dan deposito berjangka dibatasi penggunaannya	32,989	(32,989)	Restricted cash in banks and time deposits
Sub jumlah laba (rugi)	<u>121,911</u>	<u>(121,911)</u>	Sub total income (loss)
Liabilitas Keuangan			Financial Liabilities
Penerusan pinjaman	(29,086)	29,086	Two-step loans
Utang bank	(333,588)	333,588	Bank loans
Sub jumlah laba (rugi)	<u>(362,674)</u>	<u>362,674</u>	Sub total income (loss)
Jumlah laba (rugi)	<u>(240,763)</u>	<u>240,763</u>	Total income (loss)

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman

*) Not considering the effect of borrowing cost capitalization

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iii. Manajemen risiko kredit

Risiko kredit mengacu pada risiko bahwa pihak ketiga akan gagal dalam memenuhi kewajiban kontraktualnya yang mengakibatkan kerugian bagi Perusahaan dan entitas anak. Sebagai perusahaan yang diberikan kewajiban untuk melayani publik oleh Pemerintah Republik Indonesia, Perusahaan dan entitas anak diwajibkan melayani semua pelanggan tanpa melihat apakah nantinya akan bisa membayar atau tidak. Dalam meminimalkan risiko tidak tertagihnya piutang, Perusahaan dan entitas anak menerapkan uang jaminan pelanggan dan melakukan pemutusan sambungan listrik ke pelanggan ditentukan jika pelanggan tidak membayar lewat dari tiga bulan untuk meminimalkan risiko kredit. Untuk kas dan setara kas, Perusahaan dan entitas anak mengelola rekening pada beberapa Bank untuk menghindari konsentrasi kas yang signifikan dengan satu institusi.

Nilai tercatat aset keuangan pada laporan keuangan konsolidasian setelah dikurangi dengan penyisihan untuk kerugian mencerminkan eksposur Perusahaan dan entitas anak terhadap risiko kredit. Lihat Catatan 55.a untuk rinciannya.

Kualitas kredit piutang usaha

Perusahaan berkeyakinan bahwa tidak ada risiko kredit kualitas yang buruk karena piutang usaha Perusahaan tersebar merata atas jumlah pelanggan yang besar yang meliputi berbagai industri dan wilayah geografis. Perusahaan juga melakukan evaluasi kredit berkelanjutan atas kondisi keuangan piutang secara berkala. Lihat Catatan 14 untuk rincian umur piutang dan analisa cadangan penurunan nilai.

iii. Credit risk management

Credit risk refers to the risk that the counterparties will default on their contractual obligations resulting in a loss to the Company and its subsidiaries. As a company that performs a public service obligation on behalf of the Government of the Republic of Indonesia, the Company and its subsidiaries are obliged to serve all customers regardless of the ability to pay. In minimizing the risk of uncollected receivables, the Company and its subsidiaries collect customers security deposits and will terminate the electricity connection to the customer if a customer does not make payment on time after three months to minimize the Company's credit risk. For cash and cash equivalents, the Company and its subsidiaries maintain accounts with several banks to avoid significant concentration of cash with one institution.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Company's and its subsidiaries exposure to credit risk. See Note 55.a for details.

Credit quality of trade receivables

The Company believes there is no heightened risk of poor credit quality because its trade receivables are spread over a large number of customers across diverse industries and geographic areas. The Company also performs ongoing credit evaluation on the financial condition of its accounts receivable. See Note 14 for detailed information of the aging of receivables and impairment assessment of trade receivables.

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Kualitas kredit piutang subsidi listrik

Perusahaan berkeyakinan bahwa piutang subsidi listrik dapat diterima sepenuhnya dalam jangka waktu yang telah ditentukan dari Pemerintah Republik Indonesia. Perusahaan berkeyakinan bahwa tidak ada risiko gagal bayar oleh Pemerintah.

Credit quality of electricity subsidy

Receivables on electricity subsidy can be fully recovered in time because it is to be collected from the Government of the Republic of Indonesia. The Company believes there is no risk of default by the Government.

Kualitas kredit kas, deposito berjangka dan kas yang dibatasi penggunaannya

Perusahaan menempatkan kas dan setara kas, deposito berjangka dan rekening deposito yang dibatasi penggunaannya pada bank yang memiliki kualitas kredit yang baik. Oleh karena itu, Perusahaan berkeyakinan bahwa risiko kredit atas aset keuangan ini adalah minimal. Pihak ketiga yang dimaksud termasuk institusi keuangan utama dan BUMN lainnya.

Credit qualities of cash, time deposits and restricted cash

The Company placed cash and cash equivalents, time deposits and restricted cash with reputable counterparties that have good credit rating or bank standing. Consequently, the Company believes the credit risk of such financial assets is minimal. These counterparties include large financial institutions and other SOEs.

Kualitas kredit piutang lainnya

Piutang lainnya ditagihkan kepada pihak berelasi dan karyawan Perusahaan. Oleh karena itu, Perusahaan dapat memonitor kolektibilitas piutang-piutang ini dengan seksama. Perusahaan memiliki tingkat kolektibilitas yang baik atas piutang-piutang terkait.

Credit quality of other receivables

Other receivables are to be collected from the Company's related parties and employees; as such, the Company can closely monitor the collectability of these receivables. The Company has a good historical collection rate of these financial assets.

Tabel berikut menunjukkan kualitas kredit aset keuangan Perusahaan:

Following table shows the credit quality of the Company's financial assets:

	2016				
	Belum jatuh tempo dan tidak mengalami Penurunan nilai/ <i>Neither past due nor impaired</i>	Telah jatuh tempo tetapi tidak mengalami Penurunan nilai/ <i>Past due but not impaired</i>	Mengalami Penurunan nilai/ <i>Impaired</i>	Jumlah/ Total	
	Rp	Rp	Rp	Rp	
Aset keuangan					Financial assets
Aset tidak lancar					Noncurrent assets
Piutang pihak berelasi	263,064	--	--	263,064	Receivable from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,464,260	--	--	7,464,260	Restricted cash in banks and time deposits
Piutang lain-lain	350,465	--	--	350,465	Other receivables
Aset tidak lancar lainnya	967	--	--	967	Other noncurrent assets
Jumlah aset tidak lancar	<u>8,078,756</u>	<u>--</u>	<u>--</u>	<u>8,078,756</u>	Total noncurrent assets
Aset lancar					Current assets
Kas dan setara kas	41,909,223	--	--	41,909,223	Cash and cash equivalents
Investasi jangka pendek	374,771	--	--	374,771	Short-term investments
Piutang usaha	19,806,412	2,930,391	1,025,842	21,710,961	Trade receivables
Piutang subsidi listrik	12,446,110	--	--	12,446,110	Receivables on electricity subsidy
Piutang lain-lain	356,155	--	--	356,155	Other receivables
Piutang pihak berelasi	36,548	--	--	36,548	Receivables from related parties
Aset lancar lainnya	5,915	--	--	5,915	Other current assets
Jumlah aset lancar	<u>74,935,134</u>	<u>2,930,391</u>	<u>1,025,842</u>	<u>76,839,683</u>	Total current assets
Jumlah aset keuangan	<u>83,013,890</u>	<u>2,930,391</u>	<u>1,025,842</u>	<u>84,918,439</u>	Total financial assets

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	2015				
	Belum jatuh tempo dan tidak mengalami Penurunan nilai/ <i>Neither past due nor impaired</i> Rp	Telah jatuh tempo tetapi tidak mengalami Penurunan nilai/ <i>Past due but not impaired</i> Rp	Mengalami Penurunan nilai/ <i>Impaired</i> Rp	Jumlah/ Total Rp	
Aset keuangan					Financial assets
Aset tidak lancar					Noncurrent assets
Piutang pihak berelasi	268,647	--	--	268,647	<i>Receivable from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	8,796,977	--	--	8,796,977	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	312,084	--	--	312,084	<i>Other receivables</i>
Aset tidak lancar lain	1,687	--	--	1,687	<i>Other noncurrent assets</i>
Jumlah aset tidak lancar	<u>9,379,395</u>	<u>--</u>	<u>--</u>	<u>9,379,395</u>	<i>Total noncurrent assets</i>
Aset lancar					Current assets
Kas dan setara kas	23,596,339	--	--	23,596,339	<i>Cash and cash equivalents</i>
Investasi jangka pendek	120,059	--	--	120,059	<i>Short-term investments</i>
Piutang usaha	17,462,474	1,509,129	862,624	19,834,227	<i>Trade receivables</i>
Piutang subsidi listrik	17,501,009	--	--	17,501,009	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	481,681	--	--	481,681	<i>Other receivables</i>
Piutang pihak berelasi	71,669	--	--	71,669	<i>Receivables from related parties</i>
Jumlah aset lancar	<u>59,233,231</u>	<u>1,509,129</u>	<u>862,624</u>	<u>61,604,984</u>	<i>Total current assets</i>
Jumlah aset keuangan	<u>68,612,626</u>	<u>1,509,129</u>	<u>862,624</u>	<u>70,984,379</u>	Total financial assets

iv. Manajemen risiko likuiditas

Risiko likuiditas didefinisikan sebagai risiko bahwa Perusahaan dan entitas anak akan menghadapi kesulitan dalam memenuhi kewajiban terkait dengan liabilitas keuangan yang diselesaikan dengan pembayaran kas atau aset keuangan lainnya. Tanggung jawab utama manajemen risiko likuiditas terletak pada Direksi, yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk persyaratan manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang Perusahaan dan entitas anak. Perusahaan dan entitas anak mengelola risiko likuiditas dengan menjaga kecukupan kas, simpanan, fasilitas bank dan cadangan fasilitas pinjaman dengan terus menerus memonitor perkiraan dan realisasi arus kas dan mencocokkan profil jatuh tempo liabilitas keuangan.

Selanjutnya Perusahaan dan entitas anak juga memelihara kecukupan dana dengan cara mempertahankan kecukupan jumlah kas dan setara kas dan investasi jangka pendek yang mudah dikonversi menjadi uang tunai ketika mengalami gangguan yang tak terduga dari penagihan kas.

Tabel berikut ini memberikan rincian tanggal jatuh tempo kontraktual untuk liabilitas keuangan dengan pembayaran yang telah disepakati pada periode 31 Desember 2016. Tabel tersebut telah disusun

iv. Liquidity risk management

Liquidity risk is defined as the risk that the Company and its subsidiaries will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company and its subsidiaries short, medium and long-term funding and liquidity management requirements. The Company and its subsidiaries manage liquidity risk by maintaining adequate cash, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

In addition, the Company and its subsidiaries maintain an adequate amount of cash and cash equivalents and short-time investments, which may be readily converted to cash upon any unforeseen interruption of its cash collections.

The following table details the Company and its subsidiaries remaining contractual maturity for its financial liabilities with an agreed repayment period as of December 31, 2016. The table has

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	2016		2015		
	Nilai tercatat/ Carrying amount Rp	Nilai wajar/ Fair value Rp	Nilai tercatat/ Carrying amount Rp	Nilai wajar/ Fair value Rp	
Pinjaman diberikan dan piutang					Loans and receivables
Piutang pihak berelasi	299,612	299,191	340,316	339,279	Receivables from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	7,464,260	7,867,441	8,796,977	9,107,686	Restricted cash in banks and time deposits
Liabilitas pada biaya perolehan diamortisasi					Liabilities at amortized cost
Penerusan pinjaman	31,696,088	34,287,857	31,710,583	33,786,503	Two-step loans
Utang kepada Pemerintah dan lembaga keuangan Pemerintah non-bank	8,301,603	6,862,736	8,488,486	7,644,779	Government and non-bank Government financial institution loan
Utang sewa pembiayaan	21,722,392	22,164,687	156,380,901	177,438,720	Lease liabilities
Utang obligasi dan sukuk ijarah	78,392,683	82,902,380	89,165,688	91,994,400	Bonds payable and sukuk ijarah
Utang listrik swasta	7,644,105	8,683,601	7,404,476	8,589,993	Electricity purchase payable
Utang pihak berelasi	2,301	2,301	2,566	2,566	Payable to related parties
Utang bank	126,757,278	126,834,204	89,581,328	89,580,913	Bank loans

Nilai wajar instrumen keuangan diatas, kecuali untuk utang obligasi, ditentukan dengan mendiskontokan estimasi arus kas masa depan menggunakan suku bunga pasar dengan penyesuaian kredit pada tanggal pelaporan. Nilai wajar instrumen keuangan diatas diklasifikasikan sebagai tingkat dua dalam hirarki nilai wajar.

The fair value for the above financial instruments, except for bonds payable, was determined by discounting estimated future cash flows with credit adjusted market interest rates at the reporting date. The fair values of the above financial instruments are within level two of the fair value hierarchy.

Nilai wajar dari utang obligasi, ditentukan dengan mengacu pada harga pasar yang dikuotasikan pada tanggal pelaporan. Nilai wajar utang obligasi diatas diklasifikasikan sebagai tingkat satu dalam hirarki nilai wajar.

The fair value of bonds payable is determined by quoted the closing ask price at the reporting date. The fair values of the above financial instruments are within level one of the fair value hierarchy.

e. Aset Derivatif

Perusahaan melaksanakan hedging terbatas untuk memitigasi risiko selisih kurs atas transaksi-transaksi tertentu. Jenis transaksi hedging yang dilaksanakan adalah kontrak kontrak *forward* dengan jumlah rincian per 31 Desember 2016 adalah sebagai berikut:

e. Derivative Asset

The Company has implemented limited hedge on certain transactions to mitigate its foreign currency exposure. The type of hedge transaction is forward contract with details as of December 31, 2016 as follows:

Pihak Lawan/ Counterparties	Jangka Waktu hedging/ Hedging periods	Jumlah Notional/ Notional amount Rp	Aset derivatif/ Derivatives asset Rp
Bank Mandiri	2 Minggu/ Weeks	404,190	994
BRI	2 Minggu/ Weeks	404,160	1,024
BNI	2 Minggu/ Weeks	404,100	1,084
Bank Mandiri	3 Minggu/ Weeks	404,790	837
Bank Mandiri	3 Minggu/ Weeks	404,640	988
BRI	3 Minggu/ Weeks	404,640	988
Jumlah/ Total		2,426,520	5,915

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**56. Informasi Tambahan terkait Penerapan
Kebijakan Akuntansi Baru**

**56. Additional Information Related to
Implementation of New Accounting Policy**

Sejak 1 Januari 2016, Perusahaan menerapkan secara prospektif POJK No.6 untuk transaksi berdasarkan Perjanjian Jual Beli Tenaga Listrik dengan IPP. Dampak penerapan POJK No.6 telah disesuaikan ke saldo laba 1 Januari 2016 (Catatan 2.a).

Since January 1, 2016, the Company has implemented POJK No.6 prospectively for transactions based on Power Purchase Agreement with IPPs. The effect of POJK No.6 implementation has been accounted for by adjustment to retained earnings as of January 1, 2016 (Note 2.a).

Penerapan POJK No.6 secara prospektif menyebabkan beberapa pos pada laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 disusun menggunakan kebijakan akuntansi yang berbeda (Catatan 3.l dan 3.w). Tabel berikut ini disajikan sebagai Informasi tambahan.

Prospective implementation of POJK No.6 causes certain accounts in consolidated financial statements for the year ended December 31, 2016 and 2015 are presented by using different accounting policies (Notes 3.l and 3.w). The following tables are presented as an additional information.

	<u>Tanpa/ Without ISAK 8</u>		
	<u>31 Desember/ December 31, 2016 Rp</u>	<u>31 Desember/ December 31, 2015 *) Rp</u>	
<u>Laporan posisi keuangan konsolidasian</u>			<u>Consolidated statements of financial position</u>
Aset tidak lancar			Non-current assets
Aset tetap	1,145,529,527	1,115,651,990	Property, plant and equipment
Aset pajak tangguhan	9,882,003	14,300,502	Deferred tax assets
Liabilitas jangka panjang			Non-current liabilities
Utang sewa pembiayaan	17,933,075	21,556,619	Lease liabilities
Utang listrik swasta	7,315,422	7,849,063	Electricity purchase payable
Liabilitas jangka pendek			Current liabilities
Utang usaha			Trade payables
Pihak berelasi	7,772,693	9,290,847	Related parties
Pihak ketiga	22,419,391	19,713,705	Third parties
Biaya masih harus dibayar	10,644,559	8,410,971	Accrued expenses
Utang listrik swasta	328,683	321,164	Electricity purchase payable
Utang sewa pembiayaan	3,789,317	3,445,604	Lease liabilities
Utang lain-lain	18,072,854	20,195,245	Other payables
Ekuitas			Equity
Saldo laba - tidak ditetapkan penggunaannya	77,194,942	84,650,585	Retained earnings - unappropriated
<u>Laporan laba rugi dan penghasilan komprehensif lain konsolidasian</u>			<u>Consolidated statements of profit or loss and other comprehensive income</u>
Beban usaha:			Operating expenses:
Bahan bakar dan pelumas	109,492,383	120,587,310	Fuel and lubricants
Pembelian tenaga listrik	59,729,390	51,690,867	Purchased electricity
Sewa	6,545,114	7,560,994	Lease
Pemeliharaan	21,226,736	17,593,261	Maintenance
Penyusutan	27,512,150	21,418,640	Depreciation
Rugi usaha sebelum subsidi	(31,627,846)	(28,915,296)	Operating loss before subsidy
Pendapatan (beban) lain-lain			Other income (expense)
Beban keuangan	(18,703,276)	(17,536,348)	Financial cost
Keuntungan (kerugian) kurs mata uang asing - bersih	4,195,210	(16,229,625)	Gain (loss) on foreign exchange - net

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Laba (rugi) sebelum pajak	13,578,226	(3,064,259)	<i>Income (loss) before tax</i>
(Beban) manfaat pajak	(5,427,843)	18,649,497	<i>Tax (expenses) benefit</i>
Laba tahun berjalan	8,150,383	15,585,238	<i>Income for the year</i>
Laba per saham dasar/ (Dalam Rupiah penuh)	150,009	337,017	<i>Basic/ earning per share (In Rupiah full amount)</i>
<u>Laporan arus kas konsolidasian</u>			<u>Consolidated statements of cash flows</u>
Arus kas dari aktivitas operasi			<i>Cash flows from operating activities</i>
Pembayaran kas kepada pemasok Kas diperoleh dari (digunakan untuk) aktivitas operasi	(200,943,180)	(200,977,911)	<i>Cash paid to suppliers Cash provided by (used in) operations</i>
Pembayaran bunga	(18,285,840)	(16,896,444)	<i>Interest expense paid</i>
Kas bersih diperoleh dari aktivitas operasi	29,588,060	35,173,112	<i>Net cash provided by operating activities</i>
Arus kas dari aktivitas pendanaan			<i>Cash flows from financing activities</i>
Pembayaran utang listrik swasta Pembayaran utang sewa pembiayaan	(321,879)	(297,519)	<i>Payments of electricity purchase payable Payments of lease liabilities</i>
Kas bersih diperoleh dari (digunakan untuk) aktivitas pendanaan	43,595,053	(753,589)	<i>Net cash provided by (used in) financing activities</i>
	<u>Dengan/ Under ISAK 8</u>		
	<u>31 Desember/ December 31, 2016 *) Rp</u>	<u>31 Desember/ December 31, 2015 Rp</u>	
<u>Laporan posisi keuangan konsolidasian</u>			<u>Consolidated statements of financial position</u>
Aset tidak lancar			<i>Non-current assets</i>
Aset tetap	1,239,554,567	1,187,879,590	<i>Property, plant and equipment</i>
Aset pajak tangguhan	24,116,230	29,088,271	<i>Deferred tax assets</i>
Liabilitas jangka panjang			<i>Non-current liabilities</i>
Utang sewa pembiayaan	165,361,010	149,621,763	<i>Lease liabilities</i>
Utang listrik swasta	6,587,627	7,093,280	<i>Electricity purchase payable</i>
Liabilitas jangka pendek			<i>Current liabilities</i>
Utang usaha			<i>Trade payables</i>
Pihak berelasi	7,209,473	8,910,438	<i>Related parties</i>
Pihak ketiga	20,912,486	17,715,563	<i>Third parties</i>
Biaya masih harus dibayar	12,566,549	10,627,055	<i>Accrued expenses</i>
Utang listrik swasta	318,846	311,196	<i>Electricity purchase payable</i>
Utang sewa pembiayaan	7,323,327	6,759,138	<i>Lease liabilities</i>
Utang lain-lain	18,057,664	20,188,608	<i>Other payables</i>
Ekuitas			<i>Equity</i>
Saldo laba - tidak ditentukan penggunaannya	35,393,221	41,222,131	<i>Retained earnings - unappropriated</i>
<u>Laporan laba rugi dan penghasilan komprehensif lain konsolidasian</u>			<u>Consolidated statements of profit or loss and other comprehensive income</u>
Beban usaha:			<i>Operating expenses:</i>
Bahan bakar dan pelumas	127,408,734	138,408,315	<i>Fuel and lubricants</i>
Pembelian tenaga listrik	4,524,394	4,420,859	<i>Purchased electricity</i>
Sewa	8,082,353	8,065,522	<i>Lease</i>
Pemeliharaan	26,087,691	21,861,310	<i>Maintenance</i>
Penyusutan	31,484,447	25,406,856	<i>Depreciation</i>
Rugi usaha sebelum subsidi	(4,709,692)	(8,227,086)	<i>Operating loss before subsidy</i>

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	Rp	Rp	
Pendapatan (beban) lain-lain			<i>Other income (expense)</i>
Beban keuangan	(46,385,695)	(39,977,228)	<i>Financial cost</i>
Keuntungan (kerugian) kurs mata uang asing - bersih	7,133,260	(27,326,131)	<i>Gain (loss) on foreign exchange - net</i>
Laba (rugi) sebelum pajak	15,758,501	(15,913,435)	<i>Income (loss) before tax</i>
(Beban) manfaat pajak	(5,981,386)	21,939,942	<i>Tax (expenses) benefit</i>
Laba tahun berjalan	9,777,115	6,026,507	<i>Income for the year</i>
Laba per saham dasar/ (Dalam Rupiah penuh)	180,084	130,106	<i>Basic/ earning per share (In Rupiah full amount)</i>
<u>Laporan arus kas konsolidasian</u>			<u>Consolidated statements of cash flows</u>
Arus kas dari aktivitas operasi			<i>Cash flows from operating activities</i>
Pembayaran kas kepada pemasok	(164,210,241)	(178,049,789)	<i>Cash paid to suppliers</i>
Kas diperoleh dari aktivitas operasi	36,388,636	23,881,685	<i>Cash provided by operations</i>
Pembayaran bunga	(45,968,259)	(37,708,595)	<i>Interest expense paid</i>
Kas bersih diperoleh dari aktivitas operasi	38,637,580	37,289,083	<i>Net cash provided by operating activities</i>
Arus kas dari aktivitas pendanaan			<i>Cash flows from financing activities</i>
Pembayaran utang listrik swasta	(312,695)	(290,798)	<i>Payments of electricity purchase payable</i>
Pembayaran utang sewa pembiayaan	(12,764,446)	(5,190,273)	<i>Payments of lease liabilities</i>
Kas bersih diperoleh dari (digunakan untuk) aktivitas pendanaan	34,545,533	(2,869,560)	<i>Net cash provided by (used in) financing activities</i>

*) Tidak diaudit

*) Unaudited

57. Peristiwa Setelah Periode Pelaporan

57. Events After Reporting Period

(i) Bank Mandiri	(i) Bank Mandiri
Selama tahun 2017, Perusahaan telah melakukan penarikan atas pinjaman ini sebesar Rp5.601.928.	In 2017, the Company has withdraw fund facility amounting to Rp5,601,928.
(ii) Pinjaman Terkait Program Percepatan	(ii) Loans related to fast track program
<u>Pinjaman sindikasi yang dikoordinasi oleh Bank DKI</u>	<u>Syndicated loan coordinated by Bank DKI</u>
Selama tahun 2017, Perusahaan telah melakukan penarikan fasilitas ini sebesar Rp71,364.	In 2017, the Company has withdraw fund facility amounting to Rp71,364.
<u>Pinjaman sindikasi yang dikoordinasi oleh Bank BNI</u>	<u>Syndicated loan coordinated by Bank BNI</u>
Selama tahun 2017, Perusahaan telah melakukan penarikan fasilitas ini sebesar Rp240.856.	In 2017, the Company has withdraw fund facility amount to Rp240,856.
(iii) Bank Rakyat Indonesia ("BRI")	(iii) Bank Rakyat Indonesia ("BRI")
<u>Kredit Modal Kerja 2011</u>	<u>Working Capital Loan 2011</u>
Selama tahun 2017, Perusahaan telah melakukan penarikan atas pinjaman ini sebesar Rp37.257.322.	In 2017, the Company has withdraw fund facility amounting to Rp37,257,322.

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(iv)	<p>Maybank</p> <p>Pada tanggal 2 November 2017, Perusahaan memperoleh fasilitas pinjaman sebesar Rp4.300.000 dengan tingkat bunga JIBOR 6 bulan ditambah 2,6%.</p> <p>Selama tahun 2017, jumlah penarikan atas fasilitas yang diberikan oleh Maybank sebesar Rp4.300.000.</p>	(iv)	<p>Maybank</p> <p>On November 2, 2017, the Company receive loan facility amounting Rp4,300,000 with interest rate JIBOR 6 month plus 2.6%.</p> <p>In 2017, total withdrawal for the facility given by Maybank amounting to Rp4,300,000.</p>
(v)	<p>Bank Central Asia</p> <p>Pada tanggal 2 November 2017, Perusahaan memperoleh fasilitas pinjaman sebesar Rp12.000.000 dengan tingkat bunga JIBOR 6 bulan ditambah 2,6%.</p> <p>Selama tahun 2017, jumlah penarikan atas fasilitas yang diberikan oleh Bank Central Asia sebesar Rp12.000.000.</p>	(v)	<p>Bank Central Asia</p> <p>On November 2017, the Company receive loan facility amounting to Rp12,000,000 with interest JIBOR 6 month plus 2.6%.</p> <p>In 2017, total withdrawal for the facility given by Bank Central Asia amounting to Rp12,000,000.</p>
(vi)	<p>Agence Francaise De Development ("AFD")</p> <p>Selama tahun 2017, Perusahaan telah melakukan penarikan atas pinjaman ini sebesar EUR4.001.121.</p>	(vi)	<p>Agence Francaise De Development ("AFD")</p> <p>In 2017, the Company has withdraw fund facility amounting to EUR4,001,121.</p>
(vii)	<p>Asian Development Bank ("ADB")</p> <p>Pada 10 Oktober 2017, Perusahaan mendapatkan fasilitas pinjaman sebesar US\$600.000.000 dengan tingkat bunga LIBOR ditambah suku bunga acuan yang disepakati.</p> <p>Selama tahun 2017, Perusahaan melakukan penarikan pinjaman sebesar US\$238.000.000.</p>	(vii)	<p>Asian Development Bank ("ADB")</p> <p>On October 10, 2017, the Company receive loan facility amounting to US\$600,000,000 with interest rate of LIBOR plus agreed interest rate.</p> <p>In 2017, the Company has withdraw fund facility amounting to US\$238,000,000.</p>
(viii)	<p>Japan Bank for International Cooperation ("JBIC")</p> <p>Selama tahun 2017, Perusahaan telah melakukan penarikan atas fasilitas ini masing-masing sebesar US\$13.283.316 dan JPY6.012.420.140.</p>	(viii)	<p>Japan Bank for International Cooperation ("JBIC")</p> <p>In 2017, the Company has withdraw fund facility amounting to US\$13,283,316 and JPY6,012,420,140, respectively.</p>

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| <p>(ix) Sumitomo Mitsui Banking Corporation (SMBC)</p> <p>Pada tanggal 30 Maret 2017, Perusahaan memperoleh fasilitas kredit untuk membiayai PLTA Jatigede sebesar US\$73.324.250 dengan tingkat suku bunga sebesar LIBOR-6mo + 1,43%. Fasilitas kredit tersebut akan berakhir pada tanggal 30 Maret 2031. Pada tanggal laporan diterbitkan, jumlah penarikan dari fasilitas ini adalah sebesar US\$10.323.880.</p> | <p>(ix) Sumitomo Mitsui Banking Corporation (SMBC)</p> <p><i>On March 30, 2017, the Company obtained a credit facility to finance Hydro Power Electricity Generations PLTA Jatigede amounting to US\$73,324,250 with interest rate of LIBOR-6mo + 1,43%. This credit facility will mature on March 30, 2031. As of the date the report released, the total withdrawal amount from these facilities was US\$10,323,880.</i></p> |
| <p>(x) Export Development Canada ("EDC") dan Hungarian Export Import Bank Private Limited Company ("HEXIM")</p> <p>Pada tanggal 2 Desember 2016 dan 1 Mei 2017 Perusahaan memperoleh pendanaan untuk Batam mobile power plant sebesar US\$435.888.247 dan US\$14.111.753 dengan masing – masing tingkat bunga 2,56% dan 3,30% yang akan dibayar setiap semester dan jatuh tempo 27 Januari 2029. Pada tahun 2017 jumlah penarikan fasilitas ini adalah sebesar US\$450.000.000.</p> | <p>(x) Export Development Canada ("EDC") and Hungarian Export Import Bank Private Limited Company ("HEXIM")</p> <p><i>On December 2, 2016 and May 1, 2017, the Company obtained credit facility for Batam mobile power plant amounting to US\$435,888,247 and US\$14.111.753 with interest rate of 2.56% and 3,30%, respectively, payable semiannually and the maturity date is on January 27, 2029 respectively. In 2017, total withdrawal of the fund facility was amounting to US\$450,000,000.</i></p> |
| <p>(xi) Kreditanstalt fur Wiederaufbau (KfW)</p> <p>Pada tanggal 15 September 2017, Perusahaan memperoleh fasilitas kredit untuk membiayai Bangkanai peaker sebesar EUR82.699.200 dengan tingkat suku bunga sebesar 0,97%. Fasilitas kredit tersebut akan berakhir pada tanggal 15 Desember 2028.</p> <p>Pada tanggal 15 Desember 2017, Perusahaan memperoleh fasilitas pinjaman sebesar EUR85.000.000 dengan tingkat bunga 1.55%.</p> <p>Selama tahun 2017, jumlah penarikan dari seluruh fasilitas yang diberikan adalah sebesar EUR651.141.</p> | <p>(xi) Kreditanstalt fur Wiederaufbau (KfW)</p> <p><i>On September 15, 2017, the Company obtained credit facility to finance the Bangkanai Peaker amounting to EUR82,699,200 with interest rate of 0,97%. This credit facility will mature on December 15, 2028.</i></p> <p><i>On December 15, 2017, the Company received loan facility amounting to EUR85,000,000 with interest rate of 1,55%.</i></p> <p><i>In 2017, the total withdrawal from all facilities are amounting to EUR651,141.</i></p> |
| <p>(xii) Credit Agricole CIB Paris (CIB)</p> <p>Pada tanggal 8 November 2017, Perusahaan memperoleh fasilitas pinjaman sebesar US\$280.000.000 dengan tingkat bunga LIBOR ditambah 0.98%.</p> | <p>(xii) Credit Agricole CIB Paris (CIB)</p> <p><i>On November 8, 2017, the Company received loan facility amounting to US\$280,000,000 with interest rate of LIBOR plus 0,98%.</i></p> |

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| <p>(xiii) International Bank for Reconstruction and Development ("IBRD")</p> <p>Pada tanggal 20 Mei 2016, Perusahaan memperoleh fasilitas kredit untuk membiayai <i>Power Distribution Development Program</i> sebesar US\$500 juta dengan tingkat suku bunga sebesar <i>Reference rate + Var spread</i>. Fasilitas kredit tersebut akan berakhir pada tanggal 15 Maret 2036. Selama tahun 2017, jumlah penarikan dari fasilitas ini adalah sebesar US\$107.650.000.</p> | <p>(xiii) <i>International Bank for Reconstruction and Development ("IBRD")</i></p> <p><i>On May 20, 2016, the Company obtained credit facility to finance Power Distribution Development Program amounting to US\$500 million with interest rate of Reference rate + Var spread. This credit facility will mature on March 15, 2036. in 2017, total withdrawal amount from this facility was amounting to US\$107.650.000.</i></p> |
| <p>(xiv) Pada tanggal 10 Maret 2017, Perusahaan menandatangani perjanjian pinjaman sindikasi dengan Japan Bank for International Cooperation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Australia and New Zealand Banking Group Limited, dan Mizuho Bank, Ltd masing-masing sebesar US\$37.230.000 dan JPY15.449.450.242 untuk pendanaan proyek Muara Karang <i>Combined Cycle Power Plant Project</i>.</p> | <p>(xiv) <i>On March 10, 2017, the Company entered into a syndicated loan agreement with Japan Bank for International Cooperation, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Australia and New Zealand Banking Group Limited, and Mizuho Bank, Ltd amounting to US\$37,230,000 and JPY15,449,450,242, respectively, to finance the Muara Karang Combined Cycle Power Plant Project.</i></p> |
| <p>(xv) Pada bulan Juli 2017, Perusahaan telah melunasi obligasi PLN IX tahun 2007 seri A sebesar Rp1.500.000 dan sukuk ijarah PLN II tahun 2007 sebesar Rp300.000 yang jatuh tempo pada tanggal 10 Juli 2017.</p> <p>Pada bulan Januari 2017, Perusahaan telah melunasi obligasi PLN XI tahun 2010 seri A sebesar Rp920.000 dan sukuk ijarah PLN IV tahun 2010 seri A sebesar Rp130.000 yang jatuh tempo pada 12 Januari 2017.</p> | <p>(xv) <i>In July 2017, the Company has fully settled the PLN IX bonds 2007 series A amounting to Rp1,500,000 and sukuk ijara PLN II 2007 amounting to Rp300,000 which were due on July 10, 2017.</i></p> <p><i>In January 2017, the Company has fully settled the PLN XI bonds 2010 series A amounting to Rp920,000 dan sukuk ijara PLN IV 2010 series A amounting to Rp130,000 which were due on January 12, 2017.</i></p> |
| <p>(xvi) Pada bulan Juni 2017, entitas anak Majapahit Holding B.V., telah melunasi <i>global bond II tranche A</i> sebesar US\$500.000.000 yang jatuh tempo pada tanggal 28 Juni 2017.</p> | <p>(xvi) <i>On June 2017, the Company's subsidiary Majapahit Holding B.V., has fully settled its global bonds II tranche A amounting to US\$500,000,000 which were due on June 28, 2017.</i></p> |
| <p>(xvii) a. Obligasi Berkelanjutan II PLN Tahap I Tahun 2017</p> <p>Pada tanggal 12 Juli 2017, Perusahaan menerbitkan Obligasi Berkelanjutan II PLN tahap I tahun 2017 dengan jumlah nilai nominal</p> | <p>(xvii) a. <i>Sustainable Bonds II PLN I Year 2017</i></p> <p><i>On July 12, 2017, the Company issued Sustainable Bonds II PLN I Year 2017 with a total nominal value amounting to Rp1,600,000</i></p> |

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sebesar Rp1.600.000 yang terdiri dari Obligasi Seri A, Obligasi Seri B, dan Obligasi Seri C dengan PT Bank Tabungan Negara (Persero) Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 11 Oktober 2017 sampai dengan tanggal jatuh tempo obligasi.

which consist of Series A, Series B, and Series C bonds, with PT Bank Tabungan Negara (Persero) Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 11, 2017 until the maturity date of the bonds.

- b. Sukuk Ijarah Berkelanjutan II PLN Tahap I Tahun 2017

Bersamaan dengan penerbitan Obligasi Berkelanjutan II PLN tahap I tahun 2017, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan II PLN tahap I Tahun 2017 dengan nilai nominal sebesar Rp400.000, terdiri dari Seri A dan Seri B dengan PT Bank Tabungan Negara (Persero) bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp14.322 per tahun untuk Seri A dan Rp18.190 per tahun untuk Seri B dibayarkan setiap tiga bulan sejak 11 Oktober 2017 sampai dengan tanggal jatuh tempo Sukuk Ijarah.

- b. *Sustainable Sukuk Ijarah II PLN I Year 2017*

Concurrent with the issuance of Sustainable Bonds II PLN I Year 2017, the Company also issued Sustainable Sukuk Ijarah II PLN I Year 2017, with a nominal value amounting to Rp400,000 consisting of Series A and Series B with PT Bank Tabungan Negara (Persero) acting as the Trustee. The total ijarah fee per annum amounting to Rp14,322 for Series A Bonds and Rp18,190 for Series B Bonds is payable on a quarterly basis, starting from October 11, 2017 until the maturity date of the Sukuk Ijarah.

- c. Obligasi Berkelanjutan II PLN Tahap II Tahun 2017

Pada tanggal 6 November 2017, Perusahaan menerbitkan Obligasi Berkelanjutan II PLN tahap II tahun 2017 dengan jumlah nilai nominal sebesar Rp2.545.500, terdiri dari Obligasi Seri A, Obligasi Seri B, Obligasi Seri C dan Obligasi Seri D dengan PT Bank Tabungan Negara (Persero) Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 3 Februari 2018 sampai dengan tanggal jatuh tempo obligasi.

- c. *Sustainable Bonds II PLN II Year 2017*

On November 6, 2017, the Company issued Sustainable Bonds II PLN II Year 2017 with a total nominal value amounting to Rp2,545,500 consisting of Series A, Series B, Series C, and Series D bonds, with PT Bank Tabungan Negara (Persero) Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from February 3, 2018 until the maturity date of the bonds.

- d. Sukuk Ijarah Berkelanjutan II PLN Tahap II Tahun 2017

Bersamaan dengan penerbitan Obligasi Berkelanjutan II PLN tahap II tahun 2017, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan II PLN tahap II

- d. *Sustainable Sukuk Ijarah II PLN II Year 2017*

Concurrent with the issuance of Sustainable Bonds II PLN II Year 2017, the Company also issued Sustainable Sukuk Ijarah II PLN II Year 2017, with a nominal value

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| <p>Tahun 2017 dengan nilai nominal sebesar Rp694.500, terdiri dari Seri A, Seri B dan Seri C dengan PT Bank Tabungan Negara (Persero) bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp6.012 per tahun untuk Seri A, Rp9.922 per tahun untuk seri B, dan Rp42.630 per tahun untuk Seri C dibayarkan setiap tiga bulan sejak 3 Februari 2018 sampai dengan tanggal jatuh tempo.</p> | <p>amounting to Rp694,500 consisting of Series A, Series B and Series C with PT Bank Tabungan Negara (Persero) acting as the Trustee. The total ijara fee per annum amounting to Rp6,012 for Series A Bonds, Rp9,922 for Series B Bonds and Rp42,630 for Series C Bonds is payable on a quarterly basis, starting from February 3, 2018 until the maturity date of the Sukuk Ijara.</p> |
| <p>(xviii) Pada tanggal 20 September 2017, Entitas Anak, IP menerbitkan KIK EBA dengan jumlah nilai nominal sebesar Rp4.000.000, terdiri dari EBA A sebesar Rp3.688 dan EBA B sebesar Rp312 dengan PT Bank Rakyat Indonesia (Persero) Tbk bertindak sebagai kustodian. Aset keuangan yang membentuk portofolio merupakan tagihan yang berasal dari Pusat Pembangkitan Ketenagalistrikan Suralaya Unit 1,2,3, dan 4.</p> | <p>(xviii) On September 20, 2017, the Company's Subsidiary, IP issued KIK EBA with a total nominal value amounting to Rp4,000,000 consisting of EBA A amountd Rp3,688 and EBA B amountd Rp312, with PT Bank Rakyat Indonesia (Persero) Tbk acting as the Trustee. Financial assets that make up a portfolio are collections from the Suralaya Power Generation Centers Units 1,2,3 and 4.</p> |
| <p>(xix) Surat Utang Jangka Menengah Global</p> <p>Pada tanggal 15 Mei 2017, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$2.000.000.000 yang terdiri dari US\$1.500.000.000 jatuh tempo 10 (sepuluh) tahun dengan tingkat bunga 4,13% dan US\$500.000.000 jatuh tempo 30 (tiga puluh) tahun dengan tingkat bunga 5,25% dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 15 Mei 2017 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.</p> | <p>(xix) Global Medium Term Notes</p> <p>On May 15, 2017, the Company issued Global Medium Term Notes amounting to US\$2,000,000,000 which consist of, US\$1,500,000,000 maturity of 10 (ten) years with interest rate 4.13% and US\$500,000,000 maturity of 30 (thirty) years with interest rate 5.25% with Deutsche Bank Trust Company Americas acting as its the Trustee. The interest payable on semi-annually starting from May 15, 2017 until the maturity date of the Global Medium Term Notes.</p> |
| <p>(xx) Pada tanggal 28 Februari 2017, Rionald Silaban diangkat sebagai komisaris berdasarkan SK Menteri BUMN Republik Indonesia No. SK-41/MBU/02/2017 dan diangkat sebagai komite audit berdasarkan SK Komisaris Perusahaan No. 01/SK/DK-PLN/2017.</p> <p>Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-128/MBU/07/2017 tanggal 12 Juli</p> | <p>(xx) On February 28, 2017, Rionald Silaban was appointed as Commissioner based on MSOE of the Republic of Indonesia No. SK- 41/MBU/02/2017 and was appointed as audit committee based on Decisison Letter of Commissioner No. 01/SK/DK-PLN/2017.</p> <p>Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-128/MBU/07/2017 dated July</p> |

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2017, Andy Noorsaman Sommeng diangkat sebagai Komisaris dan memberhentikan dengan hormat Jarman sebagai Komisaris.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-138/MBU/07/2017 tanggal 24 Juli 2017, Murtaqi Syamsudin, Nasri Sebayang, dan Amin Subekti diberhentikan dengan hormat sebagai direktur Perusahaan, dan Syofvi Felienty Roekman, Syamsul Huda, Ahmad Rofiq, dan Wiluyo Kusdwidharto diangkat sebagai direktur Perusahaan serta perubahan penugasan anggota - anggota direksi Perusahaan.

Berdasarkan SK Menteri BUMN Republik Indonesia No. SK-145/MBU/07/2017 tanggal 28 Juli 2017, Ilya Avianti diangkat sebagai Komisaris dan diangkat sebagai komite audit berdasarkan SK Komisaris Perusahaan No. 8/SK/DK-PLN/2017.

Pada tanggal 8 Agustus 2017, Gunawan Sidaruk diangkat sebagai komite audit menggantikan Sugeng Rochadi berdasarkan SK Komisaris Perusahaan No. 9/SK/DK-PLN/2017.

Pada tanggal 27 November 2017, Nicke Widyawati diberhentikan sebagai direktur pengadaan strategis 1 berdasarkan Keputusan Menteri BUMN Republik Indonesia No. SK-257/MBU/11/2017.

Sehingga susunan pengurus Perusahaan adalah sebagai berikut:

Dewan Komisaris
Komisaris Utama
PLT Komisaris utama
Komisaris

Komisaris Independen

-
Hasan Bisri
Harry Susetyo Nugroho
Budiman
Aloysius Kiik Ro
Rionald Silaban
Andy Noorsaman Sommeng

Oegroseno
Darmono

12, 2017, Andy Noorsaman Sommeng was appointed as Commissioners and Jarman was discharged as Commissioners.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-138/MBU/07/2017 dated July 24, 2017, Murtaqi Syamsudin, Nasri Sebayang, and Amin Subekti were discharged as the Company's Director, and Syofvi Felienty Roekman, Syamsul Huda, Ahmad Rofiq, and Wiluyo Kusdwidharto were appointed as the Company's Director, and changes of the nomenclature the Company's Directors.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-145/MBU/07/2017 dated July 28, 2017, Ilya Avianti was appointed as Commissioners and was appointed as audit committee based on Decision Letter of Commissioner No. 8/SK/DK-PLN/2017.

On August 8, 2016, Gunawan Sidaruk was appointed as audit committee based on Decision Letter of Commissioner No. 9/SK/DK-PLN/2017 to replace Sugeng Rochadi.

On November 27, 2017, Nicke Widyawati has been resigned as director strategic procurement 1 based on decision letter of MSOE of Republic Indonesia No. SK-257/MBU/11/2017.

Therefore, the Company's management is as follow:

Board of Commissioners
President Commissioner
Task Executor President Commissioner
Commissioners

Independent Commissioners

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN (Lanjutan)**

Untuk Tahun-tahun yang Berakhir pada
Tanggal 31 Desember 2016 dan 2015
(Dalam jutaan Rupiah, kecuali dinyatakan lain)

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<p><u>Dewan Direksi</u></p> <p>Direktur Utama/ <i>President Director</i> Direktur/Director Direktur/Director</p> <p>Direktur/Director</p> <p>PLT Direktur/ <i>TE Director</i> Direktur/Director Direktur/Director</p> <p>Direktur/Director Direktur/Director</p> <p>Direktur/Director Direktur/Director</p> <p>Direktur/Director</p> <p><u>Komite Audit</u></p> <p>Ketua Anggota</p>	<p>Sofyan Basir</p> <p>Sarwono Sudarto Amir Rosidin</p> <p>Haryanto W.S</p> <p>Sofyan Basir Supangkat Iwan Santoso Wiluyo Kusdiharto</p> <p>Syofvi Felienty Roekman Djoko Rahardjo Abu Manan</p> <p>Muhammad Ali Machrizon</p> <p>Syamsul Huda</p> <p>Ahmad Rofiq</p> <p>Darmono Hasan Bisri Gunawan Sidaruk Achmad Wahyudi Ilya Avianti</p>	<p style="text-align: right;"><u>Board of Directors</u></p> <p style="text-align: right;"><i>Direktur Utama/President Director</i></p> <p style="text-align: right;"><i>Keuangan dan/Finance</i> <i>Bisnis Regional Jawa Bagian Tengah/</i> <i>Regional Business of Central Side of Java</i> <i>Bisnis Regional Jawa Bagian Barat/</i> <i>Regional Business of West Part of Java</i> <i>Pengadaan Strategis 1/Strategic Procurement 1</i> <i>Pengadaan Strategis 2/Strategic Procurement 2</i> <i>Bisnis Regional Sumatera/</i> <i>Regional Business of Sumatera</i> <i>Perencanaan Korporat/Corporate Planning</i> <i>Bisnis Regional Jawa Bagian Timur,</i> <i>Bali, Nusa Tenggara/</i> <i>Regional Business of East Side of Java,</i> <i>Bali and South East Nusa</i> <i>Human Capital Manajemen/Human Capital Management</i> <i>Bisnis Regional Kalimantan/</i> <i>Regional Business of Kalimantan</i> <i>Bisnis Regional Sulawesi/</i> <i>Regional Business of Sulawesi</i> <i>Bisnis Regional Maluku dan Papua/</i> <i>Regional Business of Maluku and Papua</i></p> <p style="text-align: right;"><u>Audit Committee</u></p> <p style="text-align: right;"><i>Chairman</i> <i>Members</i></p>
--	--	--

- (xxi) Berdasarkan surat Menteri Badan Usaha Milik Negara No. S-271/MBU/05/2017 tanggal 4 Mei 2017, pernyataan Keputusan Menteri Badan Usaha Negara sebagai Rapat Umum Pemegang Saham menyetujui hal-hal sebagai berikut:
- a. Peningkatan modal dasar menjadi sebesar Rp439.000.000.
 - b. Penambahan penyertaan modal negara sebesar 54.160.519 lembar saham dengan nilai Rp54.160.519 sehingga meningkatkan modal ditempatkan dan disetor menjadi Rp109.826.526.

- (xxi) *Based on letter from Minister of State Owned Enterprises No. S-271/MBU/05/2016 dated May 4, 2017, decision of State Owned Enterprises Minister as stated in the General Shareholders Meeting approved the following items:*
- a. *Increase of authorized capital stock to Rp439,000,000.*
 - b. *Additional Government's equity participation of 54,160,519 shares amounting to Rp54,160,519, increase in subscribed and paid-up capital to Rp109,826,526.*

- (xxii) Pada tanggal 1 Maret 2017, OJK menerbitkan POJK No. 6 Tahun 2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik.

- (xxii) *On March 1, 2017, the FSA issued POJK No.6 Year 2017 regarding Accounting Treatment on Transactions under the Power Purchase Agreement.*

Perusahaan memutuskan untuk menerapkan POJK No.6 secara prospektif sejak 1 Januari 2016 (Catatan 2.a).

The Company decided to implement POJK No.6 prospectively since January 1, 2016 (Note 2.a).

- (xxiii) Pada tahun 2017 Penjualan tenaga listrik didasarkan pada Tarif Dasar Listrik ("TDL") yang ditetapkan oleh Pemerintah yaitu Peraturan Menteri Energi dan Sumber Daya Mineral Republik Indonesia No. 28 Tahun 2016 tentang Tarif Tenaga Listrik yang

- (xxiii) *In 2017, the power sales shall be based on the Basic Electricity Tariff ("TDL") stipulated by the Government, namely the Minister of Energy and Mineral Resources of the Republic of Indonesia No. 28 Year 2016 regarding the electricity tariff provided by*

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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disediakan oleh PT Perusahaan Listrik Negara (Persero) sebagaimana telah diubah terakhir dengan Peraturan Menteri Energi Sumber Daya Mineral Republik Indonesia No. 41 Tahun 2017.

PT Perusahaan Listrik Negara (Persero) with the latest amendment by the regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia No. 41 Year 2017.

(xxiv) Pada bulan Februari 2017, Perusahaan telah menerima keputusan Mahkamah Agung Republik Indonesia mengenai sengketa PPh 26 tahun 2007, 2008, dan 2009 yang menyatakan bahwa peninjauan kembali yang diajukan Perusahaan dikabulkan sepenuhnya. Sehubungan dengan hal tersebut, Perusahaan mengajukan permohonan restitusi kepada Direktorat Jenderal Pajak ("DJP") dan telah menerima sebagian restitusi. Atas sisa pengajuan restitusi tersebut Perusahaan mereklasifikasi nilai pajak dibayar dimuka ke piutang lain-lain sebesar Rp925.743.

(xxiv) *On February 2017, the Company received the decision of Supreme Court of Republic of Indonesia regarding to dispute on Tax income article 26 year 2007, 2008, and 2009 stated that juridical review filled by the Company have been granted. Furthermore, the company also submitted restitution of these tax to Directorate General of Tax ("DJP") and received some of the restitution. For the rest, the company reclassified the amount of restitution from prepaid taxes to other receivables amounting to Rp925,743.*

(xxv) Pada bulan Desember 2017, Perusahaan menerima beberapa Surat Ketetapan Pajak Kurang Bayar ("SKPKB") dan Surat Tagihan Pajak ("STP") atas berbagai Pajak Penghasilan ("PPH") dan Pajak Pertambahan Nilai ("PPN") tahun 2016 sebesar Rp11.320.048, Perusahaan telah melakukan pembayaran sebesar Rp1.500.000 yang dicatat sebagai pajak dibayar dimuka. Perusahaan telah mengajukan keberatan ke DJP atas ketetapan tersebut.

(xxv) *In December 2017, the Company received several tax assessment letters for underpayment ("SKPKB") and Tax Collection Letter ("STP") for various income tax ("PPH") and Value Added Tax ("PPN") for 2016 fiscal year amounting to Rp11,320,048. The Company has partially paid Rp1,500,000 which recorded as prepaid tax. The Company has made an appeal to DJP.*

(xxvi) Sehubungan dengan keikutsertaan Perusahaan dalam program pengampunan pajak, Perusahaan melakukan pembayaran seluruh SKPKB yang sebelumnya di perkarakan dan uang tebusan kepada Kas Negara sebesar Rp3.694.981 dalam rangka keikutsertaan dalam Pengampunan Pajak. Perusahaan menerima Surat Keterangan Pengampunan Pajak No. KET-295/PP/WPJ.19/2017 tanggal 4 April 2017 dari Menteri Keuangan Republik Indonesia.

(xxvi) *Pursuant to Company's participations in tax amnesty, the Company has paid all SKPKB subject to tax court dispute zand compensation to State Treasury amounting to Rp3,694,981 with respect to the Company's participation in Tax Amnesty. The Company received the Tax Amnesty Approval Letter No. KET-295/PP/WPJ.19/2017 dated April 4, 2017 from the Minister of Finance of the Republic of Indonesia.*

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- Pada tahun 2017, sebagai akibat dari program pengampunan pajak, Perusahaan mengakui tambahan modal disetor Rp46.986.
- (xxvii) Pada Tanggal 4 April 2017, berdasarkan Akta jual beli Notaris No.4 dari Miryany Usman, SH., notaris di Jakarta, entitas anak Perusahaan, PLN Batubara, membeli saham PT Jambi Prima Coal (JPC). Pembelian saham ini sesuai dengan keputusan Rapat pemegang saham JPC yang menyetujui pemindahan dan pengalihan sebagian hak atas saham sebesar 60% milik PT Indobagus Energy sebanyak 822.000 lembar saham atau sebesar Rp521.000 kepada PLN Batubara. Nilai perolehan tersebut sesuai dengan nilai wajar per tanggal 31 Maret 2017 berdasarkan hasil kajian dan analisis yang telah dilakukan oleh pihak independen KJPP Yanuar Bey & Rekan tanggal 4 Desember 2017.
- (xxviii) Pada Tanggal 2 Mei 2017, berdasarkan akta notaris No 01 dari Lenny Janis Ishak, SH, notaris di Jakarta, entitas anak Perusahaan, BAG, melepaskan 1.500 lembar saham kepemilikan di PBM AP atau setara dengan kepemilikan sebesar 75% dari modal disetor kepada DP PLN sebesar Rp54.250. Nilai perolehan tersebut sesuai dengan nilai wajar berdasarkan hasil kajian dan analisis yang dilakukan oleh pihak independen KJPP Toto Suharto & Rekan tanggal 21 Desember 2017. Setelah pelepasan tersebut, kepemilikan BAG atas PBM AP adalah sebesar 499 lembar saham atau setara dengan kepemilikan sebesar 24,95% dari modal disetor.
- (xxix) Pada tanggal 20 September 2017 Perusahaan menghadapi gugatan Perbuatan Melawan Hukum yang diajukan oleh PT Putera Daya Perkasa di Pengadilan Negeri Jakarta Selatan terhadap aset PLN berupa Gardu Induk 150 KV yang terletak di Kawasan Industri Pasar Kemis. Penggugat menuntut ganti rugi sebesar Rp86.194. Saat ini perkara masih proses di Pengadilan Negeri.
- In 2017, as the result of the Company's participations in tax amnesty program, the Company recognized additional paid in capital amounted to Rp46,986.
- (xxvii) On April 4, 2017, based on Notarial sale and purchase Deed No.4 of Miryany Usman, SH., a notary in Jakarta, the Company's subsidiary PLN Batubara, purchased shares in PT Jambi Prima Coal (JPC). The share purchase is in accordance with the resolutions of JPC shareholders meeting which approved to transfer part of 60% shares owned by PT Indobagus Energy amounted to 822,000 shares or Rp521,000 to PLN Batubara. The acquisition cost in line with the fair value as of March 31, 2017 based on the results of the review and analysis performed by KJPP independent party Yanuar Bey & Partners on December 4, 2017.
- (xxviii) On May 2, 2017, based on notarial deed No. 01 of Lenny Janis Ishak, SH, notary in Jakarta, the Company's subsidiary, BAG, release 1,500 shares of ownership in PBM AP or equivalent to 75% of paid up capital DP PLN of Rp54,250. The acquisition cost is in line with the fair value which based on the results of the review and analysis performed by KJPP independent party Toto Suharto & Partners on December 4, 2017. Upon such release, BAG's ownership of PBM AP amounted to 499 shares or equivalent to the ownership of 24.95% of paid up capital.
- (xxix) On September 20, 2017, the Company faced a lawsuit from PT Putera Daya Perkasa in the District Court of South Jakarta relating Substations 150 KV which located in Kemis market. The lawsuit amounted to Rp86,194. The case still on process in the District Court.

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- | | |
|--|--|
| <p>(xxx) Pada tahun 2017, Perusahaan dan entitas anak juga menghadapi gugatan ganti rugi dalam jumlah yang tidak material di beberapa lokasi bangunan jaringan transmisi/ distribusi, perselisihan dengan karyawan, perkara dengan pelanggan dan pemasok. Manajemen berpendapat bahwa gugatan tersebut tidak material dan tidak mempengaruhi kegiatan usaha Perusahaan dan entitas anak.</p> | <p>(xxx) In 2017, the Company and its subsidiaries also face claims for compensations of losses, which are immaterial in amount, at several areas of the Company's transmission/distribution facilities, disputes with the Company's employees and cases with customers and suppliers. Management believes that such claims are not material and will not significantly affect the Company and its subsidiaries' operations.</p> |
| <p>(xxxi) Pada tanggal 26 Mei 2017, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Tanjung Batu sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.</p> | <p>(xxxi) On May 26, 2017, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Tanjung Batu Power Plant for 450,000 kl for three years or fulfillment of total volume, whichever is the first.</p> |
| <p>(xxxii) Pada tanggal 18 Agustus 2017, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Bangka Belitung sebanyak 120.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.</p> | <p>(xxxii) On August 18, 2017, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Bangka Belitung Power Plant for 120,000 kl for three years or fulfillment of total volume, whichever is the first.</p> |

58. Penerbitan Kembali Laporan Keuangan Konsolidasian

58. Reissuance of Consolidated Financial Statements

Merujuk pada surat Menteri Energi dan Sumber Daya Mineral (ESDM) pada tanggal 8 Mei 2017 tentang realisasi susut jaringan tenaga listrik Perusahaan, pada tanggal 31 Agustus 2017 Badan Pemeriksa Keuangan Republik Indonesia (BPK RI) menerbitkan Laporan Hasil Pemeriksaan dengan tujuan tertentu subsidi listrik tahun anggaran 2016 No.37A/AUDITAMA VII/PDPT/08/2017 yang menetapkan bahwa hasil audit perhitungan subsidi listrik tahun 2016 adalah sebesar Rp58.043.265. Berdasarkan telaah manajemen, fakta tersebut merupakan peristiwa yang berpengaruh terhadap pelaporan keuangan per 31 Desember 2016, sehingga manajemen memutuskan untuk menerbitkan kembali laporan keuangan untuk tahun yang berakhir pada tanggal 31 Desember 2016.

Referring to the Letter of the Minister of Energy and Mineral Resources (ESDM) dated May 8, 2017 on the realization of the Company's electricity transmission losses, on August 31, 2017 the Supreme Audit Board of the Republic of Indonesia (BPK RI) has issued an audit report on the specific purpose of electricity subsidy for fiscal year 2016 No.37A/AUDITAMA VII/PDPT/08/2017 which determined that the audit result of electricity subsidy calculation in 2016 were amounted to Rp58,043,265. Based on the management's assesment, this fact is an event affecting financial reporting as of December 31, 2016, therefore the management has decided to reissue the financial statements for the year ended December 31, 2016.

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Akun-akun laporan keuangan berikut ini disajikan kembali untuk mencerminkan dampak dari peristiwa tersebut:

The following financial statements line items were reissued to reflect the impact of the event:

	Sebelum penerbitan kembali/ Before reissuance Rp	Penyesuaian/ Adjustment Rp	Setelah penerbitan kembali/ After reissuance Rp	
<u>Laporan posisi keuangan konsolidasian</u>				<u>Consolidated statements of financial position</u>
<u>Aset lancar</u>				<u>Current asset</u>
Piutang subsidi listrik	14,844,365	(2,398,255)	12,446,110	Receivables on electricity subsidy
<u>Ekuitas</u>				<u>Equity</u>
Saldo laba	79,593,197	(2,398,255)	77,194,942	Retained earnings
<u>Laporan laba rugi dan penghasilan komprehensif lain konsolidasian</u>				<u>Consolidated statements of profit or loss and other comprehensive income</u>
Subsidi listrik Pemerintah	60,441,520	(2,398,255)	58,043,265	Government's electricity subsidy

Selain itu terdapat tambahan penyajian dan pengungkapan dalam catatan atas laporan keuangan konsolidasian sebagai berikut:

Furthermore, there are additional presentations and disclosure in the notes to consolidated financial statements as follows:

- Catatan 3 : Ikhtisar kebijakan akuntansi penting
- Catatan 15 : Piutang subsidi listrik
- Catatan 20 : Modal saham dan saldo laba
- Catatan 37 : Subsidi listrik Pemerintah
- Catatan 47 : Pajak penghasilan
- Catatan 48 : Laba per saham dasar dan dilusian
- Catatan 51 : Sifat dan transaksi dengan pihak berelasi
- Catatan 52 : Aset dan liabilitas moneter dalam mata uang asing
- Catatan 53 : Segmen operasi
- Catatan 55 : Instrumen keuangan, manajemen risiko keuangan dan risiko modal
- Catatan 56 : Informasi tambahan terkait penerapan kebijakan akuntansi baru
- Catatan 57 : Peristiwa setelah periode pelaporan

- Note 3 : Summary of significant accounting policies
- Note 15 : Receivables on electricity subsidy
- Note 20 : Capital stock and retained earnings
- Note 37 : Government's electricity subsidy
- Note 47 : Income tax
- Note 48 : Basic and diluted earnings per share
- Note 51 : Nature of relationships and transactions with related parties
- Note 52 : Monetary assets and liabilities denominated in foreign currencies
- Note 53 : Operating segment
- Note 55 : Financial instruments, financial risk and capital risk management
- Note 56 : Additional information related to implementation of new accounting policy
- Note 57 : Events after reporting period

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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**59. Tanggung Jawab Manajemen dan
Persetujuan atas Laporan Keuangan
Konsolidasian**

**59. Management's Responsibility and
Approval of the Consolidated Financial
Statements**

Penyusunan dan penyajian wajar laporan keuangan konsolidasian merupakan tanggung jawab manajemen dan telah disetujui oleh Direksi untuk diterbitkan pada tanggal 8 Januari 2018.

The preparation and fair presentation of the consolidated financial statements were the responsibilities of the management and were approved by the Directors and authorized for issuance on January 8, 2018.

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/*AND SUBSIDIARIES***

**LAPORAN KEUANGAN KONSOLIDASIAN/
*CONSOLIDATED FINANCIAL STATEMENTS***

**31 DESEMBER 2015 AND 2014/
*DECEMBER 31, 2015 AND 2014***



PT PLN (PERSERO)

Jalan Trunojoyo Blok M 1/135 Kebayoran Baru - Jakarta 12160

Telp. : (021) 7261875, 7261122, 7262234
(021) 7251234, 7250550

Kotak Pos : 4322/KBB

Faximile : (021) 7221330

Alamat Kawat : PLNPST

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB
ATAS LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL 31 DESEMBER 2015 DAN 2014
DAN 1 JANUARI 2014/31 DESEMBER 2013
DAN UNTUK TAHUN - TAHUN YANG BERAKHIR
31 DESEMBER 2015 DAN 2014

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY
ON THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015 AND 2014
AND JANUARY 1, 2014 / DECEMBER 31, 2013
AND FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

Kami yang bertanda tangan dibawah ini/We, the undersigned:

- | | | |
|--|---|---|
| 1. Nama/Name | : | SOFYAN BASIR |
| Alamat kantor/Office address | : | PT PLN (PERSERO)
Jl. Trunojoyo Blok M I/135
Jakarta Selatan |
| Alamat domisili sesuai KTP atau kartu identitas lain/Domicile as stated in ID Card | : | Jl. Taman Bendungan Jatiluhur No. 3
Bendungan Hilir
Jakarta Pusat |
| Nomor telepon/Phone number | : | (021) 7220300 |
| Jabatan/Position | : | DIREKTUR UTAMA / PRESIDENT DIRECTOR |
| 2. Nama/Name | : | SARWONO SUDARTO |
| Alamat kantor/Office address | : | PT PLN (PERSERO)
Jl. Trunojoyo Blok M I/135
Jakarta Selatan |
| Alamat domisili sesuai KTP atau kartu identitas lain/Domicile as stated in ID Card | : | Komplek BRI Blok A No. 45
Jl. Pramukasari IV RT 009 RW 005
Rawasari, Cempaka Putih
Jakarta Pusat |
| Nomor telepon/Phone number | : | (021) 7392038 |
| Jabatan/Position | : | DIREKTUR / DIRECTOR |


menyatakan bahwa/state that:


- | | |
|--|--|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian Laporan Keuangan Konsolidasian; | 1. We are responsible for the preparation and presentation of the Consolidated Financial Statements; |
| 2. Laporan Keuangan Konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; | 2. The Consolidated Financial Statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards; |
| 3. a. Semua informasi dalam Laporan Keuangan Konsolidasian telah dimuat secara lengkap dan benar; | 3. a. All information contained in the Consolidated Financial Statements is complete and correct; |
| b. Laporan Keuangan Konsolidasian tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material; | b. The Consolidated Financial Statements do not contain misleading material information or facts and do not omit material information and facts; |
| 4. Kami bertanggung jawab atas sistem pengendalian intern dalam Perusahaan dan Entitas Anak. | 4. We are responsible for the Company and its Subsidiaries internal control system. |

Demikian Pernyataan ini dibuat dengan sebenarnya.

This Statement letter is made truthfully

Jakarta, 26 April 2017/ April 26, 2017


SOFYAN BASIR
Direktur Utama / President Director


SARWONO SUDARTO
Direktur / Director





**LAPORAN AUDITOR INDEPENDEN
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF**

**Perusahaan Perseroan (Persero)
PT Perusahaan Listrik Negara**

Kami telah mengaudit laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("Perusahaan") dan entitas anak terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2015 dan 2014, serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal-tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung Jawab Manajemen atas Laporan Keuangan Konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung Jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan

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Nomor Izin Usaha: KEP-241/KM.1/2015.

A170426020/DC2/HSH/2017



Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anak tanggal 31 Desember 2015 dan 2014, serta kinerja keuangan dan arus kas untuk tahun yang berakhir pada tanggal-tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal lain

Laporan ini diterbitkan kembali sehubungan dengan rencana Perusahaan untuk melakukan aksi korporasi dan untuk memenuhi peraturan pasar modal. Laporan ini diterbitkan dengan tujuan hanya untuk disertakan dalam surat penawaran Perusahaan sehubungan dengan penawaran obligasi Perusahaan, dan tidak dimaksudkan untuk, dan tidak diperkenankan untuk, digunakan untuk tujuan lain.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries as at December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with Indonesian Financial Accounting Standards.

Other matter

This report is reissued in connection with the Company's corporate action plan and to comply with the capital market regulations. This report has been prepared solely for inclusion in the Company's offering memorandum in connection with its bond offering, and is not intended to be, and should not be, used for any other purposes.



Sebelum laporan ini, kami telah menerbitkan laporan auditor independen No. A170314010/DC2/HSH/2017 tanggal 14 Maret 2017 atas laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anak untuk tahun yang berakhir pada tanggal 31 Desember 2015, yang menyatakan opini wajar tanpa pengecualian dengan paragraf penjelasan yang menguraikan perubahan metode akuntansi Perusahaan untuk perjanjian jual beli tenaga listrik seperti diungkapkan pada Catatan 56 dari laporan keuangan konsolidasian tersebut. Sebagai konsekuensi, kualifikasi pada laporan audit No. A160628005/DC2/HSH/2016 tanggal 28 Juni 2016 yang telah diterbitkan sebelum perubahan metode akuntansi untuk perjanjian jual beli tenaga listrik tidak berlaku lagi.

Kami juga telah menerbitkan laporan auditor independen No. A150227014/DC2/HSH/I/2015 tanggal 27 Pebruari 2015 atas laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anak untuk tahun yang berakhir pada tanggal 31 Desember 2014. Sebagaimana diungkapkan pada Catatan 56 atas laporan keuangan konsolidasian terlampir, laporan keuangan konsolidasian Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara dan entitas anak untuk tahun yang berakhir pada tanggal 31 Desember 2014 telah disajikan kembali sehubungan dengan penerapan retrospektif PSAK 24 (Revisi 2013), "Imbalan Kerja" dan PSAK 66 (Revisi 2015), "Pengaturan Bersama". Selain itu, dalam laporan keuangan konsolidasian terlampir, sesuai dengan penyajian laporan keuangan konsolidasian untuk tahun 2015, Perusahaan juga mereklasifikasi akun laporan laba-rugi dan penghasilan komprehensif lain konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2014 terkait dengan penyajian subsidi listrik Pemerintah.

Prior to this report, we have issued independent auditors' report No. A170314010/DC2/HSH/2017 dated March 14, 2017 on the consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries for the year ended December 31, 2015, which expressed an unqualified opinion with an explanatory paragraph that describes the change in the Company's method of accounting for power purchase agreements as disclosed in Note 56 of those consolidated financial statements. Consequently, the qualification on audit report No. A160628005/DC2/HSH/2016 dated June 28, 2016 that was previously issued prior to the change in the method of accounting for power purchase agreements no longer applies.

We have also issued independent auditors' report No. A150227014/DC2/HSH/I/2015 dated February 27, 2015 on the consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries for the year ended December 31, 2014. As disclosed in Note 56 to the accompanying consolidated financial statements, the consolidated financial statements of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara and its subsidiaries for the year ended December 31, 2014 have been restated to retrospectively adopt SFAS 24 (Revised 2013), "Employee Benefits" and SFAS 66 (Revised 2015), "Joint Arrangements". In addition to that, in the accompanying consolidated financial statements, to conform to the presentation of the 2015 financial statements, the Company also reclassified an item of its consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2014 related to the presentation of the Government's electricity subsidy.

JAKARTA
26 April/April 2017

Drs. Haryanto Sahari, CPA

Surat Ijin Praktek Akuntan Publik/License of Public Accountant No. AP.0223

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN**

31 DESEMBER 2015 DAN 2014 DAN 1 JANUARI 2014
(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

DECEMBER 31, 2015 AND 2014 AND JANUARY 1, 2014
(Figures in tables are stated in millions of Rupiah)

	Catatan/ Notes	2015	2014*)	1 Januari/ January 1, 2014*)	
ASET					ASSETS
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Aset tetap	6	1.187.879.590	501.706.275	488.102.578	<i>Property, plant and equipment</i>
Properti investasi	7	1.000.974	233.057	159.330	<i>Investment properties</i>
Investasi pada entitas asosiasi	8	1.645.413	1.304.711	1.003.750	<i>Investments in associates</i>
Investasi pada ventura bersama	8	1.529.285	1.267.882	1.025.316	<i>Investments in joint ventures</i>
Aset pajak tangguhan	47	29.088.271	6.688.981	8.279.555	<i>Deferred tax assets</i>
Piutang pihak berelasi	9	268.647	98.829	176.032	<i>Receivables from related parties</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	10	8.796.977	5.994.028	5.659.753	<i>Restricted cash in banks and time deposits</i>
Piutang lain-lain	16	312.084	321.385	304.302	<i>Other receivables</i>
Aset tidak lancar lain	11	<u>4.504.847</u>	<u>4.409.438</u>	<u>3.018.272</u>	<i>Other non-current assets</i>
Jumlah Aset Tidak Lancar		<u>1.235.026.088</u>	<u>522.024.586</u>	<u>507.728.888</u>	Total Non-current Assets
ASET LANCAR					CURRENT ASSETS
Kas dan setara kas	12	23.596.339	27.111.528	25.529.969	<i>Cash and cash equivalents</i>
Investasi jangka pendek	13	120.059	100.696	97.667	<i>Short-term investments</i>
Piutang usaha					<i>Trade accounts receivable</i>
Pihak berelasi	14	569.088	582.259	408.674	<i>Related parties</i>
Pihak ketiga	14	19.265.139	18.912.608	15.288.266	<i>Third parties</i>
Piutang subsidi listrik	15	17.501.009	19.280.861	21.793.929	<i>Receivables on electricity subsidy</i>
Piutang lain-lain	16	481.681	866.948	4.625.113	<i>Other receivables</i>
Persediaan - bersih	17	11.415.863	11.607.860	11.343.464	<i>Inventories - net</i>
Pajak dibayar dimuka	18	5.265.445	4.889.463	4.397.112	<i>Prepaid taxes</i>
Biaya dibayar dimuka dan uang muka	19	1.058.501	1.788.724	1.312.925	<i>Prepaid expenses and advances</i>
Piutang pihak berelasi	9	<u>71.669</u>	<u>282.791</u>	<u>40.061</u>	<i>Receivables from related parties</i>
Jumlah Aset Lancar		<u>79.344.793</u>	<u>85.423.738</u>	<u>84.837.180</u>	Total Current Assets
JUMLAH ASET		<u>1.314.370.881</u>	<u>607.448.324</u>	<u>592.566.068</u>	TOTAL ASSETS

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian
yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an
integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN
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31 DESEMBER 2015 DAN 2014 DAN 1 JANUARI 2014
(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF
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DECEMBER 31, 2015 AND 2014 AND JANUARY 1, 2014
(Figures in tables are stated in millions of Rupiah)

	Catatan/ Notes	2015	2014*)	1 Januari/ January 1, 2014*)	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
EKUITAS					EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk					<i>Equity attributable to owners of the Company</i>
Modal saham - nilai nominal Rp 1 juta per saham					<i>Capital stock - par value of Rp 1 million per share</i>
Modal dasar - 63.000.000 saham					<i>Authorized - 63,000,000 shares</i>
Modal ditempatkan dan disetor penuh - 46.197.380 saham pada tanggal 31 Desember 2015, 2014 dan 1 Januari 2014	20	46.197.380	46.197.380	46.197.380	<i>Subscribed and paid-up - 46,197,380 shares as of December 31, 2015, 2014 and January 1, 2014</i>
Tambahan modal disetor	21	49.707.027	52.496.893	49.901.404	<i>Additional paid-in capital</i>
Penyertaan modal Negara dalam proses penerbitan saham	21	9.468.627	-	-	<i>Stock subscription from Government in issuance process</i>
Saldo laba					<i>Retained earnings</i>
Ditentukan penggunaannya	20	26.872.493	19.108.528	19.108.528	<i>Appropriated</i>
Tidak ditentukan penggunaannya	20	41.222.131	46.937.969	35.826.796	<i>Unappropriated</i>
Penghasilan komprehensif lain		631.241.725	(11.491.096)	(7.837.169)	<i>Other comprehensive income</i>
Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk		804.709.383	153.249.674	143.196.939	<i>Equity attributable to owners of the Company</i>
Kepentingan Nonpengendali		81.234	54.141	93.175	<i>Non-controlling interests</i>
Jumlah Ekuitas		804.790.617	153.303.815	143.290.114	Total Equity
LIABILITAS JANGKA PANJANG					NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan - bersih	47	5.475	3.752.795	3.902.785	<i>Deferred tax liabilities - net</i>
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun					<i>Long-term liabilities - net of current portion</i>
Penerusan pinjaman	23	29.205.236	26.453.073	29.498.060	<i>Two-step loans</i>
Utang kepada Pemerintah dan Lembaga Keuangan					<i>Government and non bank Government Financial</i>
Pemerintah non bank	24	8.194.693	8.371.933	8.578.716	<i>Institution Loans</i>
Utang sewa pembiayaan	25	149.621.763	128.096.528	129.718.551	<i>Lease liabilities</i>
Utang bank	26	77.828.870	70.400.166	66.457.948	<i>Bank loans</i>
Utang obligasi dan sukuk ijarah	27	80.043.338	81.672.556	81.017.989	<i>Bonds payable and sukuk ijarah</i>
Utang listrik swasta	28	7.093.280	6.654.142	6.784.275	<i>Electricity purchase payable</i>
Utang pihak berelasi	29	2.566	7.331	6.906	<i>Payable to related parties</i>
Liabilitas imbalan pascakerja karyawan	49	37.378.472	41.078.935	33.783.615	<i>Post-employment benefits obligation</i>
Utang lain-lain	31	67.678	98.771	221.150	<i>Other payables</i>
Jumlah Liabilitas Jangka Panjang		389.441.371	366.586.230	359.969.995	Total Non-current Liabilities

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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**LAPORAN POSISI KEUANGAN
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31 DESEMBER 2015 DAN 2014 DAN 1 JANUARI 2014
(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

DECEMBER 31, 2015 AND 2014 AND JANUARY 1, 2014
(Figures in tables are stated in millions of Rupiah)

	<u>Catatan/ Notes</u>	<u>2015</u>	<u>2014*)</u>	<u>1 Januari/ January 1, 2014*)</u>	
LIABILITAS JANGKA PENDEK					CURRENT LIABILITIES
Utang usaha					<i>Trade accounts payable</i>
Pihak berelasi	30	8.910.438	12.654.991	12.136.710	<i>Related parties</i>
Pihak ketiga	30	17.715.563	13.629.164	14.389.792	<i>Third parties</i>
Utang pajak	32	15.131.857	1.151.248	1.222.393	<i>Taxes payable</i>
Biaya masih harus dibayar	33	10.627.055	9.403.153	8.714.043	<i>Accrued expenses</i>
Uang jaminan langganan	34	11.324.898	10.828.518	10.107.402	<i>Customers' security deposits</i>
Utang biaya proyek	35	1.113.825	857.728	1.061.453	<i>Project cost payable</i>
Pendapatan ditangguhkan	22	1.533.703	1.306.976	990.913	<i>Deferred revenue</i>
Utang jangka panjang jatuh tempo dalam satu tahun					<i>Current portion of long-term liabilities</i>
Penerusan pinjaman	23	2.505.347	2.644.611	3.208.983	<i>Two-step loans</i>
Utang kepada Pemerintah dan Lembaga Keuangan					<i>Government and non bank Government Financial</i>
Pemerintah non bank	24	293.793	293.793	293.793	<i>Institution Loans</i>
Utang sewa pembiayaan	25	6.759.138	5.116.369	4.901.469	<i>Lease liabilities</i>
Utang bank	26	11.752.458	9.527.681	8.387.881	<i>Bank loans</i>
					<i>Bonds payable and sukuk ijarah</i>
Utang obligasi dan sukuk ijarah	27	9.122.350	805.000	2.808.000	<i>Electricity purchase payable</i>
Utang listrik swasta	28	311.196	291.744	272.454	<i>Payable to related parties</i>
Utang pihak berelasi	29	-	-	2.786	<i>Post-employment benefits obligation</i>
Liabilitas imbalan pascakerja karyawan	49	2.848.664	2.700.106	2.584.480	<i>Other payables</i>
Utang lain-lain	31	20.188.608	16.347.197	18.223.407	
Jumlah Liabilitas Jangka Pendek		<u>120.138.893</u>	<u>87.558.279</u>	<u>89.305.959</u>	Total Current Liabilities
JUMLAH LIABILITAS		<u>509.580.264</u>	<u>454.144.509</u>	<u>449.275.954</u>	TOTAL LIABILITIES
JUMLAH EKUITAS DAN LIABILITAS		<u>1.314.370.881</u>	<u>607.448.324</u>	<u>592.566.068</u>	TOTAL EQUITY AND LIABILITIES

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian
yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an
integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAINNYA KONSOLIDASIAN
31 DESEMBER 2015 DAN 2014**

(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2015 AND 2014**

(Figures in tables are stated in millions of Rupiah)

	2015	Catatan/ Notes	2014*)	
PENDAPATAN USAHA				REVENUES
Penjualan tenaga listrik	209.844.541	36	186.634.484	<i>Sale of electricity</i>
Biaya penyambungan pelanggan	6.141.335	22	5.623.913	<i>Customer connection fees</i>
Lain-lain	1.361.114	38	1.159.544	<i>Others</i>
Jumlah Pendapatan Usaha	217.346.990		193.417.941	<i>Total Revenues</i>
BEBAN USAHA				OPERATING EXPENSES
Bahan bakar dan pelumas	138.408.315	39	170.487.926	<i>Fuel and lubricants</i>
Pembelian tenaga listrik	4.420.859	40	3.492.679	<i>Purchased electricity</i>
Sewa	8.065.522	41	7.866.347	<i>Lease</i>
Pemeliharaan	21.861.310	42	20.206.661	<i>Maintenance</i>
Kepegawaian	20.321.137	43	16.645.797	<i>Personnel</i>
Penyusutan	25.406.856	6	23.618.262	<i>Depreciation</i>
Lain-lain	7.090.077	44	5.488.617	<i>Others</i>
Jumlah Beban Usaha	225.574.076		247.806.289	<i>Total Operating Expenses</i>
RUGI USAHA SEBELUM PENDAPATAN LAIN-LAIN	(8.227.086)		(54.388.348)	OPERATING LOSS BEFORE OTHER INCOME
Subsidi listrik Pemerintah	56.552.532	37	99.303.250	<i>Government's electricity subsidy</i>
LABA USAHA	48.325.446		44.914.902	OPERATING INCOME
Penghasilan lain-lain - bersih	2.437.066	46	4.157.018	<i>Others income - net</i>
Penghasilan keuangan	627.412		584.061	<i>Financial income</i>
Beban keuangan (Kerugian)/keuntungan kurs mata uang asing - bersih	(39.977.228) (27.326.131)	45	(35.971.211) 1.319.299	<i>Financial cost (Loss)/gain on foreign exchange - net</i>
(RUGI)/LABA SEBELUM PAJAK	(15.913.435)		15.004.069	(LOSS)/ INCOME BEFORE TAX
MANFAAT/(BEBAN) PAJAK	21.939.942	47	(3.934.699)	TAX BENEFIT/(EXPENSE)
LABA TAHUN BERJALAN	6.026.507		11.069.370	INCOME FOR THE YEAR

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian. See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAINNYA KONSOLIDASIAN
31 DESEMBER 2015 DAN 2014**
(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2015 AND 2014**
(Figures in tables are stated in millions of Rupiah)

	2015	Catatan/ Notes	2014*)	
Penghasilan komprehensif lain periode berjalan				Other comprehensive income for the period
Pos-pos yang akan direklasifikasi ke laba rugi:				<i>Items that will be subsequently reclassified to profit or loss:</i>
Bagian atas penghasilan komprehensif lainnya dari entitas asosiasi dan ventura bersama	36.978		-	<i>Share of other comprehensive income of associates and joint ventures</i>
	36.978		-	
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				<i>Items that will not be subsequently reclassified to profit or loss:</i>
Keuntungan/(kerugian) aktuarial	6.120.608		(4.871.902)	<i>Actuarial gain/(loss)</i>
Cadangan revaluasi aset	653.441.219		-	<i>Asset revaluation reserve</i>
(Beban) manfaat pajak terkait	(16.865.984)		1.217.975	<i>Related income tax (expense) benefits</i>
	642.695.843		(3.653.927)	
TOTAL PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN TAHUN BERJALAN SETELAH PAJAK	642.732.821		(3.653.927)	TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	648.759.328		7.415.443	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
Laba tahun berjalan diatribusikan kepada:				Income for the year attributable to:
Pemilik entitas induk	6.010.568		11.054.166	<i>Owners of the Company</i>
Kepentingan Nonpengendali	15.939		15.204	<i>Non-controlling interests</i>
LABA TAHUN BERJALAN	6.026.507		11.069.370	INCOME FOR THE YEAR
Total penghasilan komprehensif berjalan yang dapat diatribusikan kepada:				Total comprehensive income for the year attributable to:
Pemilik entitas induk	648.743.389		7.400.239	<i>Owners of the parent entity</i>
Kepentingan nonpengendali	15.939		15.204	<i>Non-controlling interests</i>
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	648.759.328		7.415.443	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR/DILUSIAN (Dalam Rupiah penuh)	130.106	48	239.282	BASIC/DILUTED EARNING PER SHARES (In full Rupiah amount)

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
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31 DESEMBER 2015 DAN 2014**
(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**
(Figures in tables are stated in millions of Rupiah)

Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Subscribed and paid-up capital/stock	Penyertaan modal Negara dalam proses penerbitan saham/ Stock subscription from Government in issuance process	Tambahan modal disetor/ Additional paid-in capital	Ditetapkan penggunaannya/ Appropriated	Saldo laba/ Tidak ditentukan penggunaannya/ Retained earnings/ Unappropriated	Cadangan revaluasi aset/ Asset revaluation reserve	Penghasilan komprehensif lain/ Other comprehensive income			Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk/ Equity attributable to owners of the Company	Kepentingan nonpengendali/ Non-controlling interests	Jumlah ekuitas/ Total equity
							Bagian penghasilan komprehensif lain/ Other comprehensive income from associates	Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk/ Equity attributable to owners of the Company	Ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk/ Equity attributable to owners of the Company			
Saldo per 1 Januari 2014 Pengaturan penerapan PSAK 24 secara retrospektif *)	46.197.380	-	49.901.404	19.108.528	35.030.871	-	-	-	150.238.183	93.175	150.331.358	
Saldo per 1 Januari 2014 setelah disajikan kembali	46.197.380	-	49.901.404	19.108.528	35.826.796	-	(7.837.169)	-	143.196.939	93.175	143.290.114	
Penambahan tahun berjalan Transaksi dengan pihak nonpengendali Jumlah laba komprehensif tahun berjalan	-	-	2.595.489	-	-	-	-	-	2.595.489	-	2.595.489	
	-	-	-	57.007	-	-	-	-	57.007	(54.238)	2.769	
	-	-	-	-	11.054.166	-	(3.653.927)	-	7.400.239	15.204	7.415.443	
Saldo per 31 Desember 2014 setelah disajikan kembali	46.197.380	-	52.496.893	19.108.528	46.937.969	-	(11.491.096)	-	153.249.674	54.141	153.303.815	
Penambahan tahun berjalan Reklasifikasi dari tambahan modal disetor	-	5.000.000	1.678.761	-	-	-	-	-	6.678.761	12.154	6.690.915	
Cadangan umum tahun berjalan Dividen tunai	-	4.468.627	(4.468.627)	-	-	-	-	-	-	-	-	
Jumlah laba komprehensif tahun berjalan	-	-	-	7.763.965	(7.763.965)	-	-	-	(3.962.441)	(1.000)	(3.963.441)	
	-	-	-	-	6.010.568	638.105.386	4.590.457	36.978	648.743.389	15.939	648.759.328	
Saldo per 31 Desember 2015	46.197.380	9.468.627	49.707.027	26.872.493	41.222.131	638.105.386	(6.900.639)	36.978	804.709.393	81.234	804.790.617	

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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**LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2015 DAN 2014**

(Angka dalam tabel dinyatakan dalam jutaan Rupiah)

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

(Figures in tables are stated in millions of Rupiah)

	2015	2014*)	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	219.257.343	194.886.601	<i>Cash receipts from customers</i>
Pembayaran kas kepada pemasok	(178.049.789)	(207.506.332)	<i>Cash paid to suppliers</i>
Pembayaran kas kepada karyawan	(17.325.869)	(13.441.780)	<i>Cash paid to employees</i>
Kas diperoleh/(digunakan) untuk aktivitas operasi	23.881.685	(26.061.511)	<i>Cash provided/(used) in operations</i>
Penerimaan subsidi listrik	55.332.384	101.816.318	<i>Government subsidy received</i>
Pembayaran bunga	(37.708.595)	(35.381.682)	<i>Interest expense paid</i>
Pembayaran biaya transaksi pinjaman	(166.719)	(169.085)	<i>Payments of financing related costs</i>
Penerimaan bunga	627.412	584.061	<i>Interest received</i>
Penerimaan restitusi pajak penghasilan	2.258.070	-	<i>Income tax restitution received</i>
Pembayaran pajak revaluasi aset tetap	(3.145.210)	-	<i>Tax on revaluation of assets</i>
Pembayaran pajak penghasilan	(3.789.944)	(1.704.744)	<i>Income tax paid</i>
Kas Bersih Diperoleh Dari Aktivitas Operasi	37.289.083	39.083.357	Net Cash Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset	9.285	839.025	<i>Proceeds from sale of assets</i>
Perolehan aset tetap termasuk kapitalisasi biaya pinjaman	(36.365.403)	(30.132.270)	<i>Additions to property, plant and equipment including capitalization of borrowing cost</i>
Pinjaman yang diberikan kepada pihak berelasi - bersih	(18.700)	(131.177)	<i>Loans given to related parties - net</i>
Penerimaan kembali dari pinjaman yang diberikan kepada pihak berelasi	85.601	-	<i>Repayment from loans given to related parties</i>
Perolehan investasi pada entitas asosiasi dan ventura bersama	(16.739)	(149.771)	<i>Acquisition of investments in associates and joint ventures</i>
Penerimaan dividen dari entitas asosiasi	161.006	94.063	<i>Proceeds from dividend of associates</i>
Penempatan rekening bank dan deposito berjangka dibatasi penggunaannya	(2.132.994)	(915.912)	<i>Placement of restricted cash in banks and time deposits</i>
Penempatan investasi jangka pendek	(19.363)	(3.029)	<i>Placement of short-term investments</i>
Kas Bersih Digunakan Untuk Aktivitas Investasi	(38.297.307)	(30.399.071)	Net Cash Used in Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Perolehan penyertaan modal Pemerintah dalam proses penerbitan saham	5.000.000	-	<i>Proceeds from stock subscription from Government in issuance process</i>
Pembayaran utang obligasi	(805.000)	(2.808.000)	<i>Payments of bonds payable</i>
Pembayaran penerusan pinjaman	(2.819.345)	(3.179.484)	<i>Payments of two-step loans</i>
Pembayaran utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank	(293.793)	(293.793)	<i>Payments of Government and non bank Government Financial Institution Loans</i>
Pembayaran dividen tunai	(3.962.441)	-	<i>Payments of cash dividends</i>
Pembayaran dividen kepada kepentingan non-pengendali	(1.000)	-	<i>Payment of dividends to non-controlling interest</i>
Perolehan utang bank jangka panjang	15.402.244	12.764.615	<i>Proceeds from bank loans - long-term portion</i>
Perolehan utang bank jangka pendek	28.123.417	50.527.002	<i>Proceeds from banks loan - current portion</i>
Pembayaran utang bank jangka panjang	(9.909.154)	(8.465.546)	<i>Payments of bank loans - long-term portion</i>
Pembayaran utang bank jangka pendek	(28.123.417)	(50.527.002)	<i>Payments of bank loans - current portion</i>
Pembayaran utang listrik swasta	(290.798)	(244.719)	<i>Payments of electricity purchase payable</i>
Pembayaran utang sewa pembiayaan	(5.190.273)	(4.858.116)	<i>Payments of lease liabilities</i>
Kas Bersih Digunakan Untuk Aktivitas Pendanaan	(2.869.560)	(7.085.043)	Net Cash Used in Financing Activities
(PENURUNAN)/KENAIKAN BERSIH KAS DAN SETARA KAS	(3.877.784)	1.599.243	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS
Pengaruh perubahan kurs mata uang asing	362.595	(17.684)	<i>Effect of changes in foreign currency</i>
KAS DAN SETARA KAS AWAL TAHUN	27.111.528	25.529.969	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR
KAS DAN SETARA KAS AKHIR TAHUN	23.596.339	27.111.528	CASH AND CASH EQUIVALENTS AT END OF THE YEAR

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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**NOTES TO THE CONSOLIDATED
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(Figures in tables are stated in millions of Rupiah)

1. UMUM

a. Pendirian dan Informasi Umum

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" atau "Perusahaan") didirikan pada tahun 1961 dalam bentuk Jawatan di dalam lingkungan Kementerian Pekerjaan Umum dan Tenaga. Perusahaan merupakan kelanjutan usaha beberapa perusahaan listrik Belanda yang diambil alih oleh Pemerintah Republik Indonesia ("Pemerintah"). Perusahaan listrik Belanda tersebut meliputi: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM dan NV WEMI. Berdasarkan Peraturan Pemerintah No. 19 tahun 1965, status Perusahaan berubah menjadi perusahaan yang berbadan hukum. Selanjutnya Perusahaan ditetapkan menjadi Perusahaan Umum (Perum) berdasarkan Peraturan Pemerintah No. 30 tahun 1970 yang dipertegas dengan Peraturan Pemerintah No. 18 tahun 1972. Kemudian berdasarkan akta No. 169 tanggal 30 Juli 1994 dari Sutjipto, S.H., notaris di Jakarta, status badan hukum Perusahaan berubah menjadi Perseroan Terbatas dengan nama Perusahaan Perseroan PT Perusahaan Listrik Negara disingkat PT PLN (Persero). Akta perubahan ini disahkan dengan Keputusan Menteri Kehakiman No. C2-11.519.HT.01.01.Th.94 tanggal 1 Agustus 1994, serta diumumkan dalam Berita Negara Republik Indonesia No. 73 tanggal 13 September 1994, Tambahan No. 6731.

Anggaran dasar Perusahaan terakhir diubah berdasarkan (i) akta No. 15 tanggal 30 Januari 2009 dari Lenny Janis Ishak, S.H., notaris di Jakarta, dalam rangka penyesuaian hak dan kewajiban Direksi Perusahaan. Akta perubahan ini telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusannya No. AHU-AH.01.10-0224 tanggal 20 Maret 2009, serta diumumkan dalam Berita Negara Republik Indonesia No. 92 tanggal 14 Nopember 2008, Tambahan No. 23523 (ii) berdasarkan akta No. 4 tanggal 5 Agustus 2011 dari Lenny Janis Ishak, S.H., notaris di Jakarta, atas perubahan pasal 4 ayat 2 tentang peningkatan modal ditempatkan dan disetor. Akta perubahan ini telah diterima dan dicatat di Departemen Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-AH.01.10-26937 tanggal 19 Agustus 2011.

1. GENERAL

a. Establishment and General Information

Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara ("PLN" or the "Company") was established in 1961 as a unit of the Ministry of Energy and Public Works. The Company is a business continuation of several Dutch electricity companies which have been taken over by the Government of the Republic of Indonesia ("Government"). The Dutch electricity companies include: NV ANIEM, NV SEM, NV OJEM, NV EMS, NV EMBALOM, NV GEBEO, NV OGEM and NV WEMI. Based on Government Regulation No. 19 year 1965, the Company's status was changed to that of a legal entity. Subsequently, based on Government Regulation No. 30 year 1970, as amended by Government Regulation No. 18 year 1972, the Company became a Perusahaan Umum (Perum). Based on the notarial deed of Sutjipto, S.H., notary in Jakarta, No. 169 dated July 30, 1994, the Company's status was changed to limited liability company and it was named Perusahaan Perseroan PT Perusahaan Listrik Negara or PT PLN (Persero). This change was approved by the Minister of Justice in his decision letter No. C2-11.519.HT.01.01.Th.94 dated August 1, 1994 and was published in State Gazette of the Republic of Indonesia No. 73 dated September 13, 1994, Supplement No. 6731.

The articles of association of the Company were recently amended by (i) notarial deed No. 15 dated January 30, 2009 of Lenny Janis Ishak, S.H., notary in Jakarta, to clarify the rights and responsibilities of the Company's Directors. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH.01.10-0224 dated March 20, 2009, and was published in State Gazette of the Republic of Indonesia No. 92 dated November 14, 2008, Supplement No. 23523 (ii) notarial deed No. 4 dated August 5, 2011 of Lenny Janis Ishak, S.H., notary in Jakarta, in accordance with article 4 section (2) concerning the increase in the subscribed and paid-up capital. This change was received and recorded in the Department of Law and Human Rights of the Republic of Indonesia with letter No. AHU-AH.01.10-26937 dated August 19, 2011.

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1. UMUM (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

(iii) akta No. 9 tanggal 20 Januari 2015 dari Lenny Janis Ishak, S.H., notaris di Jakarta, atas penghapusan pasal 10 ayat 19 dan 20 tentang masa jabatan anggota dewan direksi dan pasal 15 ayat 15 dan 17 tentang masa jabatan anggota dewan komisaris. Akta perubahan ini telah diterima dan dicatat di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-0004386.AH.01.03.TAHUN 2015 tanggal 23 Januari 2015.

Perusahaan berdomisili di Jakarta dan memiliki 48 unit pelaksana yang tersebar di wilayah Indonesia. Kantor Pusat Perusahaan beralamat di Jl. Trunojoyo Blok M I No. 135, Jakarta.

Sesuai dengan pasal 3 anggaran dasar Perusahaan, maksud dan tujuan Perusahaan adalah untuk menyelenggarakan usaha penyediaan tenaga listrik bagi kepentingan umum dalam jumlah dan mutu yang memadai serta memupuk keuntungan dan melaksanakan penugasan Pemerintah di bidang ketenagalistrikan dalam rangka menunjang pembangunan dengan menerapkan prinsip-prinsip Perseroan Terbatas.

Sesuai dengan Undang-Undang No. 19 tahun 2003 tentang "Badan Usaha Milik Negara ("BUMN")", Pemerintah wajib memberikan kompensasi atas semua biaya yang telah dikeluarkan oleh BUMN termasuk margin yang diharapkan kepada BUMN yang diberikan penugasan khusus. Perusahaan merupakan BUMN yang sedang melaksanakan penugasan khusus berupa penyediaan tenaga listrik bersubsidi kepada masyarakat (Catatan 37).

Pada tanggal 31 Desember 2015 dan 2014, jumlah karyawan Perusahaan dan entitas anak masing-masing 47.594 karyawan (tidak diaudit) dan 48.068 karyawan (tidak diaudit). Jumlah karyawan tidak termasuk jumlah karyawan dari PT Haleyora Powerindo yang bergerak dibidang jasa tenaga kerja. PT Haleyora Powerindo adalah entitas anak dari PT Haleyora Power.

1. GENERAL (continued)

a. Establishment and General Information (continued)

(iii) notarial deed No. 9 dated January 20, 2015 of Lenny Janis Ishak, S.H., notary in Jakarta, in accordance with article 10 section (19) and (20) regarding tenure of Board of Director and article 15 section (15) and (17) regarding tenure of Board of Commissioners. This changes was approved by the Ministry of Law and Human Right of the Republic of Indonesia in its decision letter No. AHU-0004386.AH.01.03.TAHUN 2015 dated January 23, 2015.

The Company is domiciled in Jakarta, with 48 business unit offices spread all over Indonesia. The Company's head office is located at Jl. Trunojoyo Blok M I No. 135, Jakarta.

In accordance with article 3 of the Company's articles of association, the scope of its activities is to run an electricity business for public use, which must be satisfactory both in quantity and quality and also earn profit, and perform the Government's assignment in electricity business in order to support the development with the application of the principles of Limited Liability Companies.

Based on Law No. 19 year 2003, regarding "State-Owned Enterprises ("BUMN")", the Government is obliged to provide compensation to these BUMN, which are appointed to perform special assignments, for all expenses which they have incurred, including expected return (margin). The Company is a BUMN, which performs a special assignment of providing subsidized electricity to the public (Note 37).

As of December 31, 2015 and 2014 the Company and its subsidiaries had a total number of employees of 47,594 (unaudited) and 48,068 (unaudited), respectively. The total amount of employees does not include the employees of PT Haleyora Powerindo whose nature of business is manpower services. PT Haleyora Powerindo is the subsidiary of PT Haleyora Power.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
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(Figures in tables are stated in millions of Rupiah)

1. UMUM (lanjutan)

1. GENERAL (continued)

b. Penawaran Umum Efek Utang Perusahaan

b. The Company's Public Offering of Bonds

Perusahaan telah beberapa kali menerbitkan Obligasi dan Surat Utang PLN, sebagai berikut:

The Company has issued several PLN Bonds and Notes, as follows:

	<u>Tanggal Efektif/ Effective Date</u>	<u>Bursa Pencatatan/ Listed In</u>	<u>Tanggal Pencatatan/ Listed Date</u>	<u>Jumlah yang Ditawarkan/ Offered Amount</u>	
Obligasi Rupiah					Rupiah Bonds
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	11 Desember 2013/ December 11, 2013	1.244.000	Sustainable Bonds I PLN II Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	11 Desember 2013/ December 11, 2013	429.000	Sustainable Sukuk Ijarah I PLN II Year 2013
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	8 Juli 2013/ July 8, 2013	879.000	Sustainable Bonds I PLN I Year 2013
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	27 Juni 2013/ June 27, 2013	Bursa Efek Indonesia/ Indonesia stock exchange	8 Juli 2013/ July 8, 2013	121.000	Sustainable Sukuk Ijarah I PLN I Year 2013
Obligasi PLN XII Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia stock exchange	9 Juli 2010/ July 9, 2010	2.500.000	PLN XII Bonds Year 2010
Sukuk Ijarah PLN V Tahun 2010	30 Juni 2010/ June 30, 2010	Bursa Efek Indonesia/ Indonesia stock exchange	9 Juli 2010/ July 9, 2010	500.000	Sukuk Ijarah PLN V Year 2010
Obligasi PLN XI Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia stock exchange	13 Januari 2010/ January 13, 2010	2.703.000	PLN XI Bonds Year 2010
Sukuk Ijarah PLN IV Tahun 2010	31 Desember 2009/ December 31, 2009	Bursa Efek Indonesia/ Indonesia stock exchange	13 Januari 2010/ January 13, 2010	297.000	Sukuk Ijarah PLN IV Year 2010
Obligasi PLN X Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia stock exchange	12 Januari 2009/ January 12, 2009	1.440.000	PLN X Bonds Year 2009
Sukuk Ijarah PLN III Tahun 2009	31 Desember 2008/ December 31, 2008	Bursa Efek Indonesia/ Indonesia stock exchange	12 Januari 2009/ January 12, 2009	760.000	Sukuk Ijarah PLN III Year 2009
Obligasi PLN IX Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Surabaya/ Surabaya Stock Exchange	11 Juli 2007/ July 11, 2007	2.700.000	PLN IX Bonds Year 2007
Sukuk Ijarah PLN II Tahun 2007	29 Juni 2007/ June 29, 2007	Bursa Efek Surabaya/ Surabaya Stock Exchange	11 Juli 2007/ July 11, 2007	300.000	Sukuk Ijarah PLN II Year 2007
Obligasi PLN VIII Tahun 2006	12 Juni 2006/ June 12, 2006	Bursa Efek Surabaya/ Surabaya Stock Exchange	22 Juni 2006/ June 22, 2006	2.200.100	PLN VIII Bonds Year 2006
Sukuk Ijarah PLN I Tahun 2006	12 Juni 2006/ June 12, 2006	Bursa Efek Surabaya/ Surabaya Stock Exchange	22 Juni 2006/ June 22, 2006	200.000	Sukuk Ijarah PLN I Year 2006
Obligasi PLN VII Tahun 2004	3 Nopember 2004/ November 3, 2004	Bursa Efek Surabaya/ Surabaya Stock Exchange	12 Nopember 2004/ November 12, 2004	1.500.000	PLN VII Bonds Year 2004
Obligasi PLN VI Tahun 1997	27 Juni 1997/ June 27, 1997	Bursa Efek Surabaya/ Surabaya Stock Exchange	12 Agustus 1997/ August 12, 1997	600.000	PLN VI Bonds Year 1997
Obligasi PLN V Tahun 1996	28 Juni 1996/ June 28, 1996	Bursa Efek Surabaya/ Surabaya Stock Exchange	28 Agustus 1996/ August 28, 1996	1.000.000	PLN V Bonds Year 1996
Obligasi PLN IV Tahun 1995	30 Juni 1995/ June 30, 1995	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	4 September 1995/ September 4, 1995	680.000	PLN IV Bonds Year 1995
Obligasi PLN III Tahun 1995	30 Januari 1995/ January 30, 1995	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	18 April 1995/ April 18, 1995	318.430	PLN III Bonds Year 1995
Obligasi PLN II Tahun 1993	28 September 1993/ September 28, 1993	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	8 Nopember 1993/ November 8, 1993	600.000	PLN II Bonds Year 1993
Obligasi PLN I Tahun 1992	25 September 1992/ September 25, 1992	Bursa Paralel Indonesia/ Indonesia Parallel Exchange	10 Nopember 1992/ November 10, 1992	300.000	PLN I Bonds Year 1992
Jumlah				21.271.530	Total
	<u>Tanggal Efektif/ Effective Date</u>	<u>Bursa Pencatatan/ Listed In</u>	<u>Tanggal Pencatatan/ Listed Date</u>	<u>Jumlah yang Ditawarkan/ Offered Amount *)</u>	
Surat Utang Jangka Menengah Global - US\$					Global Medium Term Notes - US\$ Issued in 2012
Penerbitan tahun 2012	16 Oktober 2012/ October 16, 2012	Bursa Efek Singapura/ Singapore Stock Exchange	25 Oktober 2012/ October 25, 2012	1.000.000.000	
Penerbitan tahun 2011	15 Nopember 2011/ November 15, 2011	Bursa Efek Singapura/ Singapore Stock Exchange	23 Nopember 2011/ November 23, 2011	1.000.000.000	Issued in 2011
Jumlah				2.000.000.000	Total

*) Dalam jumlah penuh

*) In full amount

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1. UMUM (lanjutan)

**b. Penawaran Umum Efek Utang Perusahaan
(lanjutan)**

Majapahit Holding B.V., Belanda, entitas anak yang bertujuan khusus yang sepenuhnya milik Perusahaan, menerbitkan Obligasi Terjamin, sebagai berikut:

	Tanggal Efektif/ Effective Date	Bursa Pencatatan/ Listed in	Tanggal Pencatatan/ Listed date	Jumlah Efek Ditawarkan/ Offered Amount*)	
Obligasi Terjamin - US\$					Guaranteed Notes - US\$
Penerbitan 2009	30 Oktober 2009/ October 30, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	9 Nopember 2009/ November 9, 2009	750.000.000	Issued in 2009
Penerbitan 2009	3 Agustus 2009/ August 3, 2009	Bursa Efek Singapura/ Singapore Stock Exchange	10 Agustus 2009/ August 10, 2009	1.250.000.000	Issued in 2009
Penerbitan 2007	21 Juni 2007/ June 21, 2007	Bursa Efek Singapura/ Singapore Stock Exchange	29 Juni 2007/ June 29, 2007	1.000.000.000	Issued in 2007
Penerbitan 2006	11 Oktober 2006/ October 11, 2006	Bursa Efek Singapura/ Singapore Stock Exchange	17 Oktober 2006/ October 17, 2006	1.000.000.000	Issued in 2006
Jumlah				<u>4.000.000.000</u>	Total
*) Dalam jumlah penuh					*) In full amount

c. Susunan Pengurus dan Informasi Lain

Pada tanggal 31 Desember 2015 dan 2014, susunan pengurus Perusahaan adalah sebagai berikut:

	<u>31 Desember 2015/ December 31, 2015</u>	
Komisaris Utama	Kuntoro Mangkusubroto	President Commissioner
Komisaris	Andin Hadiyanto Harry Susetyo Nugroho Jarman Budiman Hasan Bisri Aloysius Kiik Ro	Commissioners
Komisaris Independen	Oegroseno Darmono	Independent Commissioners
Direktur Utama/ President Director	Sofyan Basir	Tugas dan Wewenang/Duties and Authority Direktur Utama/ President Director
Direktur/Director	Sarwono Sudarto	Keuangan/Finance
Direktur/Director	Nasri Sebayang	Bisnis Regional Jawa Bagian Tengah/ Regional Business of Central Side of Java
Direktur/Director	Murtaqi Syamsuddin	Bisnis Regional Jawa Bagian Barat dan Lampung/Regional Business of West Part of Java and Lampung
Direktur/Director	Supangkat Iwan Santoso	Pengadaan/Procurement
Direktur/Director	Amir Rosidin	Bisnis Regional Sumatera/Regional Business of Sumatera
Direktur/Director	Nicke Widayati	Perencanaan Korporat/Corporate Planning
Direktur/Director	Amin Subekti	Bisnis Regional Jawa Bagian Timur dan Bali/ Regional Business of East Side of Java and Bali
Direktur/Director	Muhamad Ali	Human Capital Manajemen/ Human Capital Management
Direktur/Director	Djoko Rahardjo Abu Manan	Bisnis Regional Kalimantan/ Regional Business of Kalimantan
Direktur/Director	Machnizon	Bisnis Regional Sulawesi dan Nusa Tenggara/ Regional Business of South East Nusa and Sulawesi
Direktur/Director	Haryanto W.S.	Bisnis Regional Maluku dan Papua/ Regional Business of Maluku and Papua
Komite Audit		Audit Committee
Ketua	Darmono	Chairman
Anggota	Andin Hadiyanto Hasan Bisri Joseph Suardi Sabda Sugeng Rochadi Aidil Yuzar	Members

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1. UMUM (lanjutan)

1. GENERAL (continued)

**c. Susunan Pengurus dan Informasi Lain
(lanjutan)**

**c. Management and Other Information
(continued)**

<u>31 Desember 2014/ December 31, 2014</u>		
Komisaris Utama Komisaris	Chandra M. Hamzah Budiman Hasan Bisri Andin Hadiyanto Harry Susetyo Nugroho Zulkifli Zaini Sumanggar Milton Pakpahan	President Commissioner Commissioners
Komisaris Independen	Oegroseno Darmono	Independent Commissioners
Tugas dan Wewenang/Duties and Authority		
Direktur Utama/ President Director	Sofyan Basir	Direktur Utama, SDM dan Umum/ President Director, Human Resource and General Affairs
Direktur/Director Direktur/Director	Sarwono Sudarto Nasri Sebayang	Keuangan/Finance Konstruksi dan Energi Baru/Terbarukan/ Construction and New/Renewable Energy
Direktur/Director	Murtaqi Syamsuddin	Perencanaan dan Pembinaan Afiliasi PLN/ Planning and Development Affiliates PLN
Direktur/Director Direktur/Director	Supangkat Iwan Santoso Amir Rosidin	Operasi Jawa Bali/Java Bali Operations Operasi Luar Jawa Bali/Outside Java Bali Operations
Direktur/Director	Nicke Widyawati	Niaga, Manajemen Risiko dan Kepatuhan/ Commerce, Risk Management and Compliance
Direktur/Director	Amin Subekti	Pengadaan Strategis dan Energi Primer/ Strategic Procurement and Primary Energy
Komite Audit Ketua Anggota	Zulkifli Zaini Andin Hadiyanto Harry Susetyo Nugroho Oegroseno Sugeng Rochadi Aidil Yuzar	Audit Committee Chairman Members

Pada tanggal 31 Desember 2015 dan 2014, Sekretaris Perusahaan adalah Adi Supriono.

As of December 31, 2015 and 2014, the Company's corporate secretary is Adi Supriono.

Berdasarkan Surat Keputusan ("SK") Menteri Negara Badan Usaha Milik Negara ("Meneg BUMN") Republik Indonesia No. KEP-273/MBU//12/2014 tanggal 23 Desember 2014, Chandra M. Hamzah, Budiman, dan Hasan Bisri menggantikan Yogo Pratomo, Achmad Yani Basuki dan Jarman sebagai Komisaris.

Based on the Decision Letter of the Minister of State-Owned Enterprise ("MSOE") of the Republic of Indonesia No. KEP-273/MBU//12/2014 dated December 23, 2014, Chandra M. Hamzah, Budiman, and Hasan Bisri were appointed as Commissioners replacing Yogo Pratomo, Achmad Yani Basuki and Jarman.

Berdasarkan SK Meneg BUMN Republik Indonesia No. SK-223/MBU/11/2015 tanggal 10 Nopember 2015, Kuntoro Mangkusubroto diangkat sebagai Komisaris Utama menggantikan Chandra M. Hamzah dan Jarman diangkat sebagai Komisaris menggantikan Sumanggar Milton Pakpahan.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-223/MBU/11/2015 dated November 10, 2015, Kuntoro Mangkusubroto was appointed as President Commissioner to replace Chandra M. Hamzah and Jarman was appointed as Commissioner to replace Sumanggar Milton Pakpahan.

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1. UMUM (lanjutan)

**c. Susunan Pengurus dan Informasi Lain
(lanjutan)**

Berdasarkan SK Meneg BUMN Republik Indonesia SK-211/MBU/10/2015 tanggal 30 Oktober 2015, Muhamad Ali, Djoko Rahardjo Abu Manan, Machnizon, dan Haryanto.W.S diangkat sebagai Direktur Perusahaan

Berdasarkan SK Meneg BUMN Republik Indonesia No. SK-211/MBO/10/2014 tanggal 16 Oktober 2014, Oegroseno dan Darmono diangkat sebagai Komisaris Independen dan Sumanggar Milton Pakpahan diangkat sebagai Komisaris menggantikan Adang Firman, Wimpy S. Tjetjep dan Syahrial Loetan.

Aloysius Kiik Ro diangkat sebagai Komisaris berdasarkan SK Meneg BUMN Republik Indonesia No. SK-183/MBU/09/2015 tanggal 25 September 2015.

Harry Susetyo Nugroho sebagai Komisaris diangkat berdasarkan SK Meneg BUMN Republik Indonesia No. SK-199/MBU/2013 tanggal 2 April 2013 dan Zulkifli Zaini sebagai Komisaris diangkat berdasarkan Surat Keputusan Meneg BUMN Republik Indonesia No. SK-302/MBU/2013 tanggal 2 Juli 2013.

Andin Hadiyanto sebagai Komisaris diangkat berdasarkan SK Meneg BUMN Republik Indonesia No. SK-365/MBU/2012 tanggal 3 Oktober 2012.

Berdasarkan SK Meneg BUMN Republik Indonesia No. KEP-53/MBU/04/2015 tanggal 28 April 2015, Zulkifli Zaini tidak lagi menjabat sebagai Komisaris.

Untuk tahun 2015 Komite Audit Perusahaan diangkat berdasarkan Surat Keputusan Komisaris Perusahaan No. 198/DK-PLN/2015 tanggal 16 Oktober 2015.

Untuk tahun 2014 Komite Audit Perusahaan diangkat berdasarkan Surat Keputusan Komisaris Perusahaan No. 08/SK/DK-PLN/2014 tanggal 21 Oktober 2014.

1. GENERAL (continued)

**c. Management and Other Information
(continued)**

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-211/MBU/10/2015 dated October 30, 2015, Muhamad Ali, Djoko Rahardjo Abu Manan, Machnizon, and Haryanto.W.S were appointed as the Company's Directors.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-211/MBO/10/2014 dated October 16, 2014, Oegroseno and Darmono were appointed as Independent Commissioners and Sumanggar Milton Pakpahan was appointed as Commissioner to replace Adang Firman, Wimpy S. Tjetjep and Syahrial Loetan.

Aloysius Kiik Ro was appointed as Commissioner based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-183/MBU/09/2015 dated September 25, 2015.

Harry Susetyo Nugroho was appointed as Commissioner based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-199/MBU/2013 dated April 2, 2013 and Zulkifli Zaini was appointed as Commissioner based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-302/MBU/2013 dated July 2, 2013.

Andin Hadiyanto was appointed as Commissioner based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-365/MBU/2012 dated October 3, 2012.

Based on the Decision Letter of the MSOE of the Republic of Indonesia No. KEP-53/MBU/04/2015 dated April 28, 2015, Zulkifli Zaini no longer serves as Commissioner.

For 2015 the Company's Audit Committee was appointed based on Decision Letter of the Company's Board of Commissioners No. 198/DK-PLN/2015 dated October 16, 2015.

For 2014 the Company's Audit Committee was appointed based on Decision Letter of the Company's Board of Commissioners No. 08/SK/DK-PLN/2014 dated October 21, 2014.

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**2. PENERAPAN STANDAR AKUNTANSI KEUANGAN
BARU DAN REVISI DAN INTERPRETASI
STANDAR AKUNTANSI KEUANGAN**

Dalam tahun berjalan, Perusahaan dan entitas anak telah menerapkan Pernyataan Standar Akuntansi Keuangan ("PSAK") baru dan revisi serta Interpretasi Standar Akuntansi Keuangan ("ISAK") yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan dari Ikatan Akuntan Indonesia ("DSAK-IAI") yang relevan dengan operasinya dan efektif untuk periode akuntansi yang dimulai pada tanggal 1 Januari 2015.

Penerapan dari standar akuntansi berikut oleh Perusahaan dan entitas anak, yang berlaku efektif 1 Januari 2015, menyebabkan perubahan signifikan terhadap laporan keuangan konsolidasian Perusahaan:

- Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 1 (revisi 2013), "Penyajian Laporan Keuangan" mengenai pendapatan komprehensif lain. Perubahan yang utama adalah persyaratan perusahaan untuk mengelompokkan hal-hal yang disajikan sebagai 'pendapatan komprehensif lain' ("OCI") berdasarkan apakah hal-hal tersebut berpotensi untuk direklasifikasi ke laporan laba rugi selanjutnya (penyesuaian reklasifikasi).
- PSAK No. 24 (revisi 2013), "Imbalan Kerja". Standar ini mengatur semua keuntungan/(kerugian) aktuarial dari kewajiban imbalan pascakerja harus diakui secara langsung di dalam penghasilan komprehensif lain sedangkan biaya jasa lalu diakui pada laba rugi dan mengganti biaya bunga dan hasil yang diharapkan dari aset program dengan jumlah bunga bersih yang dihitung dengan menggunakan tingkat diskonto terhadap liabilitas/(aset) bersih atas manfaat pasti. Dampak perubahan standar yang direvisi tersebut di atas terhadap laporan keuangan konsolidasian disajikan pada Catatan 56.
- PSAK No. 66, "Pengaturan Bersama", pengaturan bersama diklasifikasikan sebagai operasi bersama atau ventura bersama tergantung atas hak dan kewajiban kontraktual yang dimiliki setiap investor, dibanding bentuk legal suatu perikatan bersama. Operasi bersama timbul dimana para investor mempunyai hak atas aset dan kewajiban atas liabilitas dari sebuah pengaturan. Operator mencatat kepemilikannya atas aset, liabilitas, pendapatan dan beban. Ventura bersama timbul dimana para investor memiliki hak atas aset bersih dari pengaturan bersama. Ventura bersama dicatat dengan menggunakan metode ekuitas. Konsolidasi proporsional tidak diijinkan. Dampak perubahan standar yang direvisi tersebut di atas terhadap laporan keuangan konsolidasian adalah reklasifikasi dari investasi pada entitas asosiasi menjadi investasi pada entitas ventura bersama, dan sebaliknya, yang disajikan pada Catatan 56.

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**2. ADOPTION OF NEW AND REVISED FINANCIAL
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INTERPRETATIONS OF FINANCIAL
ACCOUNTING STANDARDS**

In the current year, the Company and its subsidiaries have adopted all of the new and revised Statements of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("ISFAS") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK-IAI") that are relevant to their operations and effective for accounting periods beginning on January 1, 2015.

The following standards have been adopted by the Company and its subsidiaries for the first time for the financial year beginning on or after January 1, 2015 and have a material impact on the Company's consolidated financial statements:

- *Statement of Financial Statements ("SFAS") No. 1 (Revised 2013), "Financial Statement Presentation" regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).*
- *SFAS No. 24 (revised 2013), "Employee Benefits". The standard requires all actuarial gains/(losses) of post-employment benefit obligations to be recognized immediately in other comprehensive income while the past service cost is recognized in profit or loss and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/(asset). The impact of the above revised standard on the consolidated financial statements is presented in Note 56.*
- *SFAS No. 66, "Joint Arrangements", joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangements. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The impact of the above revised standard on the consolidated financial statements is a reclassification from investment in associates to investment in joint ventures, and vice versa, which is presented in Note 56.*

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**2. ADOPTION OF NEW AND REVISED FINANCIAL
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ACCOUNTING STANDARDS (continued)**

- PSAK No. 67, "Pengungkapan Kepentingan Dalam Entitas Lain". Standar ini mengatur pengungkapan seluruh bentuk kepemilikan di entitas lain, termasuk pengaturan bersama, entitas asosiasi dan entitas struktur. Dampak perubahan standar yang direvisi tersebut di atas terhadap laporan keuangan konsolidasian disajikan pada Catatan 8.
- PSAK No. 68, "Pengukuran Nilai Wajar". Standar ini bertujuan untuk meningkatkan konsistensi dan mengurangi kompleksitas dengan memberikan definisi yang tepat atas nilai wajar dan sumber tunggal atas pengukuran nilai wajar dan syarat pengungkapan. Dampak perubahan standar yang direvisi tersebut di atas terhadap laporan keuangan konsolidasian disajikan pada Catatan 6, 7 dan 55.

- SFAS No. 67, "Disclosures of Interest in Other Entities". This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and structured entities. The impact of the above revised standard on the consolidated financial statements is presented in Note 8.
- SFAS No. 68, "Fair Value Measurement". This standard aims to improve consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements. The impact of the above revised standard on the consolidated financial statements is presented in Note 6, 7 and 55.

Standar baru dan revisi atas standar yang berlaku berikut telah diterbitkan dan bersifat wajib bagi laporan keuangan konsolidasian Perusahaan untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2015 namun tidak berdampak material terhadap laporan keuangan konsolidasian Perusahaan:

The following new standards and amendments to existing standard have been published and are mandatory for the Company's consolidated financial statements for period beginning on or after January 1, 2015 which do not have a material impact to the consolidated financial statements of the Company:

- PSAK No. 4 (Revisi 2013), "Laporan Keuangan Tersendiri"
- PSAK No. 15 (Revisi 2013), "Investasi pada Entitas Asosiasi dan Ventura Bersama"
- PSAK No. 46 (Revisi 2014), "Akuntansi Pajak Penghasilan"
- PSAK No. 48 (Revisi 2014), "Penurunan Nilai Aset"
- PSAK No. 50 (Revisi 2014), "Instrumen Keuangan: Penyajian"
- PSAK No. 55 (Revisi 2014), "Instrumen Keuangan: Pengakuan dan Pengukuran"
- PSAK No. 60 (Revisi 2014), "Instrumen Keuangan: Pengungkapan"
- PSAK No. 65, "Laporan Keuangan Konsolidasian"
- ISAK No. 15 (Revisi 2015), "Batas Aset Imbalan Pasti"
- ISAK No. 26 (Revisi 2014), "Penilaian Ulang Derivatif Melekat"

- SFAS No. 4 (Revised 2013), "Separate Financial Statements"
- SFAS No. 15 (Revised 2013), "Investments in Associates and Joint Ventures"
- SFAS No. 46 (Revised 2014), "Income Taxes"
- SFAS No. 48 (Revised 2014), "Impairment of Assets"
- SFAS No. 50 (Revised 2014), "Financial Instruments: Presentation"
- SFAS No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement"
- SFAS No. 60 (Revised 2014), "Financial Instruments: Disclosures"
- SFAS No. 65, "Consolidated Financial Statements"
- ISFAS No. 15 (Revised 2015), "The Limit on a Defined Benefit Asset"
- ISFAS No. 26 (Revised 2014), "Reassessment of Embedded Derivatives"

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**2. PENERAPAN STANDAR AKUNTANSI KEUANGAN
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**2. ADOPTION OF NEW AND REVISED FINANCIAL
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ACCOUNTING STANDARDS (continued)**

Sejumlah amandemen terhadap standar, interpretasi, dan perbaikan tahunan atas standar akan efektif untuk periode tahunan yang dimulai pada 1 Januari 2016 dan 1 Januari 2017 dan belum diaplikasikan dalam penyusunan laporan keuangan konsolidasian ini adalah sebagai berikut:

A number of amendments to standards, interpretations, and annual improvement of standards will be effective for annual periods beginning on January 1, 2016 and January 1, 2017 and have not been applied in preparing these consolidated financial statements, are as follows:

- PSAK No. 1 (Revisi 2015), "Penyajian Laporan Keuangan"
- PSAK No. 4 (Revisi 2015), "Laporan Keuangan Tersendiri"
- PSAK No. 5 (Revisi 2015), "Segmen Operasi"
- PSAK No. 7 (Revisi 2015), "Pengungkapan Pihak-pihak Berelasi"
- PSAK No. 13 (Revisi 2015), "Properti Investasi"
- PSAK No. 15 (Revisi 2015), "Investasi Pada Entitas Asosiasi dan Ventura Bersama"
- PSAK No. 16 (Revisi 2015), "Aset Tetap"
- PSAK No. 19 (Revisi 2015), "Aset Tak Berwujud"
- PSAK No. 22 (Revisi 2015), "Kombinasi Bisnis"
- PSAK No. 24 (Revisi 2015), "Imbalan Kerja"
- PSAK No. 25 (Revisi 2015), "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan"
- PSAK No. 53 (Revisi 2015), "Pembayaran Berbasis Saham"
- PSAK No. 65 (Revisi 2015), "Laporan Keuangan Konsolidasian"
- PSAK No. 66 (Revisi 2015), "Pengaturan Bersama"
- PSAK No. 67 (Revisi 2015), "Pengungkapan Kepentingan Dalam Entitas Lain"
- PSAK No. 68 (Revisi 2015), "Pengukuran Nilai Wajar"
- PSAK No. 69, "Agrikultur"
- ISAK No. 30 (Revisi 2015), "Pungutan"
- ISAK No. 31 (Revisi 2015), "Interpretasi atas Ruang Lingkup PSAK 13, Properti Investasi"

- SFAS No. 1 (Revised 2015), "Presentation of Financial Statements"
- SFAS No. 4 (Revised 2015), "Separate Financial Statements"
- SFAS No. 5 (Revised 2015), "Operating Segments"
- SFAS No. 7 (Revised 2015), "Related Party Disclosures"
- SFAS No. 13 (Revised 2015), "Investment Property"
- SFAS No. 15 (Revised 2015), "Investment in Associates and Joint ventures"
- SFAS No. 16 (Revised 2015), "Fixed Assets"
- SFAS No. 19 (Revised 2015), "Intangible Assets"
- SFAS No. 22 (Revised 2015), "Business Combinations"
- SFAS No. 24 (Revised 2015), "Employee Benefits"
- SFAS No. 25 (Revised 2015), "Accounting Policies, Changes in Accounting Estimates and Errors"
- SFAS No. 53 (Revised 2015), "Share Based Payments"
- SFAS No. 65 (Revised 2015), "Consolidated Financial Statements"
- SFAS No. 66 (Revised 2015), "Joint Arrangements"
- SFAS No. 67 (Revised 2015), "Disclosure of Interests in Other Entities"
- SFAS No. 68 (Revised 2015), "Fair Value Measurement"
- SFAS No. 69, "Agriculture"
- ISFAS No. 30 (Revised 2015), "Levies"
- ISFAS No. 31 (Revised 2015), "Interpretation of Scope of SFAS 13, Investment Property"

Pada saat penerbitan laporan keuangan konsolidasian, Perusahaan dan entitas anak masih mempelajari dampak yang mungkin timbul dari penerapan revisi standar, interpretasi, dan perbaikan tahunan dari standar tersebut serta pengaruhnya pada laporan keuangan konsolidasian Perusahaan.

As at the authorization date of these consolidated financial statements, the Company and its subsidiaries are still evaluating the potential impact of these revised standards, interpretations, and annual improvement of standards to the Company's consolidated financial statements.

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3. KEBIJAKAN AKUNTANSI

a. Pernyataan Kepatuhan

Laporan keuangan konsolidasian telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia dan Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tertanggal 25 Juni 2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik.

b. Dasar Penyusunan

Dasar penyusunan laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian adalah dasar akrual. Mata uang penyajian yang digunakan untuk penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah ("Rp"), yang juga merupakan mata uang fungsional Perusahaan dan entitas anak. Laporan keuangan konsolidasian disusun berdasarkan nilai historis, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

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

c. Dasar Konsolidasian

Laporan keuangan konsolidasian menggabungkan laporan keuangan Perusahaan dan entitas (termasuk entitas bertujuan khusus) yang dikendalikan oleh Perusahaan atau entitas anak. Pengendalian dianggap ada ketika Perusahaan memiliki hak atas imbal hasil variabel dari keterlibatannya dengan suatu entitas dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas entitas tersebut.

Hasil entitas anak yang diakuisisi atau dijual selama tahun berjalan termasuk dalam laporan laba rugi komprehensif konsolidasian sejak tanggal efektif akuisisi dan sampai dengan tanggal efektif penjualan.

Jika diperlukan, penyesuaian dapat dilakukan terhadap laporan keuangan entitas anak agar kebijakan akuntansi yang digunakan sesuai dengan kebijakan akuntansi yang digunakan oleh Perusahaan.

Seluruh transaksi antar perusahaan, saldo, penghasilan dan beban dieliminasi pada saat konsolidasian.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indonesian Financial Accounting Standards and the Decree of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the Presentation and Disclosure of Financial Statements of Issuers or Public Companies.

b. Basis of Preparation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared on the accrual basis of accounting. The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah ("Rp"), which is also the functional currency of the Company and its subsidiaries. The measurement basis is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company or its subsidiaries. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

c. Dasar Konsolidasian (lanjutan)

Perubahan dalam bagian kepemilikan Perusahaan dan entitas anak pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas. Nilai tercatat kepentingan Perusahaan dan entitas anak dan kepentingan nonpengendali disesuaikan untuk mencerminkan perubahan bagian kepemilikannya atas entitas anak. Setiap perbedaan antara jumlah kepentingan nonpengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik Perusahaan.

Ketika Perusahaan kehilangan pengendalian atas entitas anak, keuntungan dan kerugian diakui didalam laba rugi dan dihitung sebagai perbedaan antara (i) keseluruhan nilai wajar yang diterima dan nilai wajar dari setiap sisa investasi dan (ii) nilai tercatat sebelumnya dari aset dan liabilitas dari entitas anak dan setiap kepentingan nonpengendali. Ketika aset dari entitas anak dinyatakan sebesar nilai revaluasi atau nilai wajar dan akumulasi keuntungan atau kerugian yang telah diakui sebagai pendapatan komprehensif lainnya dan terakumulasi dalam ekuitas, jumlah yang sebelumnya diakui sebagai pendapatan komprehensif lainnya dan akumulasi ekuitas dicatat seolah-olah Perusahaan telah melepas secara langsung aset yang relevan (sebagai contoh direklasifikasi ke laba rugi atau ditransfer langsung ke saldo laba sebagaimana ditentukan oleh PSAK yang berlaku). Nilai wajar setiap sisa investasi pada entitas anak terdahulu pada tanggal hilangnya pengendalian dianggap sebagai nilai wajar pada saat pengakuan awal aset keuangan sesuai dengan PSAK 55 (Revisi 2014), "Instrumen Keuangan: Pengakuan dan Pengukuran" atau, jika sesuai, biaya perolehan saat pengakuan awal investasi pada entitas asosiasi atau entitas ventura bersama.

d. Kombinasi Bisnis

Akuisisi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Perusahaan dan entitas anak, liabilitas yang diakui oleh Perusahaan dan entitas anak kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Perusahaan dan entitas anak dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui di dalam laba rugi pada saat terjadinya.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

c. Basis of Consolidation (continued)

Changes in the Company and its subsidiaries' interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company and its subsidiaries' interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interest. When assets of the subsidiary are carried at the revalued amount or at fair value and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFAS 55 (Revised 2014), "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture entity.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company and its subsidiaries, liabilities incurred by the Company and its subsidiaries to the former owners of the acquiree, and the equity interests issued by the Company and its subsidiaries in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

d. Kombinasi Bisnis (lanjutan)

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Kepentingan nonpengendali pada entitas anak diidentifikasi secara terpisah dan disajikan dalam ekuitas. Kepentingan nonpengendali pemegang saham pada awalnya boleh diukur pada nilai wajar atau pada proporsi kepemilikan kepentingan nonpengendali pada aset neto teridentifikasi dari pihak yang diakuisisi. Pilihan pengukuran dibuat pada saat akuisisi dengan dasar akuisisi. Setelah akuisisi, nilai tercatat kepentingan nonpengendali adalah jumlah kepentingan nonpengendali pada pengakuan awal ditambah dengan proporsi kepentingan nonpengendali atas perubahan selanjutnya dalam ekuitas. Seluruh laba rugi komprehensif diatribusikan pada kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

Bila imbalan yang dialihkan oleh Perusahaan dan entitas anak dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjen (*contingent consideration arrangement*), imbalan kontinjen tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis. Perubahan dalam nilai wajar atas imbalan kontinjen yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap *goodwill*. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

Perubahan selanjutnya dalam nilai wajar atas imbalan kontinjen yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjen tersebut diklasifikasikan. Imbalan kontinjen yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada tanggal sesudah tanggal pelaporan dan penyelesaian selanjutnya dicatat dalam ekuitas. Imbalan kontinjen yang diklasifikasikan sebagai aset atau liabilitas diukur kembali setelah tanggal pelaporan sesuai dengan standar akuntansi yang relevan, dengan diakui keuntungan atau kerugian terkait dalam laba rugi atau dalam pendapatan komprehensif lain.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Business Combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Non-controlling interests in subsidiaries are identified separately and presented within equity. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of fair value of the acquiree's identifiable net asset. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When the consideration transferred by the Company and its subsidiaries in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. A contingent consideration that is classified as an asset or liability is remeasured subsequent to the reporting dates in accordance with the relevant accounting standards, as appropriate, with the corresponding gain or loss being recognized in profit or loss or in other comprehensive income.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

d. Kombinasi Bisnis (lanjutan)

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Perusahaan dan entitas anak atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugiannya, jika ada, diakui di dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam pendapatan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai ketika kepemilikannya dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Perusahaan dan entitas anak melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

e. Transaksi dan Penjabaran Mata Uang Asing

Pembukuan Perusahaan dan entitas anak, kecuali Majapahit Holding B.V. ("MH") dan Majapahit Finance B.V. ("MF") diselenggarakan dalam mata uang Rupiah, mata uang dari lingkungan ekonomi utama dimana entitas beroperasi (mata uang fungsionalnya). Transaksi-transaksi selama periode berjalan dalam mata uang asing dicatat dengan kurs yang berlaku pada saat terjadinya transaksi. Pada tanggal pelaporan, aset dan kewajiban moneter dalam mata uang asing disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut. Keuntungan atau kerugian kurs yang timbul dikreditkan atau dibebankan dalam laporan laba rugi komprehensif, kecuali selisih kurs mata uang asing yang dikapitalisasi sebagai biaya pinjaman.

Kegiatan usaha MH dan MF merupakan bagian integral dari kegiatan usaha Perusahaan, dengan demikian pembukuan MH dan MF yang diselenggarakan dalam mata uang asing dijabarkan dalam mata uang Rupiah dengan menggunakan prosedur yang sama dengan Perusahaan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Business Combinations (continued)

When a business combination is achieved in stages, the Company and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate when those interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company and its subsidiaries report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Foreign Currency Transactions and Translation

The accounts of the Company and its subsidiaries, except for Majapahit Holding B.V. ("MH") and Majapahit Finance B.V. ("MF"), are maintained in Indonesian Rupiah, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the period involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss, except those foreign exchange differences which are capitalized as borrowing costs.

The operating activities of MH and MF are an integral part of the Company's activities; hence the accounts of MH and MF, which are maintained in foreign currency, are translated into Rupiah using the same procedures adopted by the Company.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

f. Transaksi dengan Pihak-Pihak Berelasi

Pihak-pihak berelasi adalah orang atau entitas yang terkait dengan Perusahaan dan entitas anak (entitas pelapor):

a. Orang atau anggota keluarga dekatnya mempunyai relasi dengan entitas pelapor jika orang tersebut:

- i. memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
- ii. memiliki pengaruh signifikan atas pelapor atau entitas pelapor; atau
- iii. merupakan personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.

b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:

- i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya saling berelasi dengan entitas lain).
- ii. Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).
- iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.
- iv. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.
- v. Entitas tersebut adalah suatu program imbalan pascakerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.
- vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a).
- vii. Orang yang diidentifikasi dalam huruf (a) (i) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

f. Transactions with Related Parties

A related party is a person or entity that is related to the Company and its subsidiaries (the reporting entity):

a. A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions apply:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. KEBIJAKAN AKUNTANSI (lanjutan)

**f. Transaksi dengan Pihak-Pihak Berelasi
(lanjutan)**

- c. Entitas yang dikendalikan, dikendalikan bersama, atau dipengaruhi secara signifikan oleh Pemerintah. Pemerintah dalam hal ini adalah Menteri Keuangan Republik Indonesia yang merupakan pemegang saham dari Perusahaan dan perusahaan yang dimiliki oleh Pemerintah Daerah.

Seluruh transaksi yang dilakukan dengan pihak-pihak berelasi, baik yang dilakukan dengan atau tidak dengan persyaratan dan kondisi yang sama sebagaimana dilakukan dengan pihak ketiga, diungkapkan dalam laporan keuangan konsolidasian.

g. Aset Keuangan

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang awalnya diukur sebesar nilai wajar.

Aset keuangan Perusahaan dan entitas anak diklasifikasikan sebagai berikut: tersedia untuk dijual dan pinjaman yang diberikan dan piutang.

Aset Keuangan Tersedia untuk Dijual ("AFS")

AFS pada awalnya diakui sebesar nilai wajar, ditambah biaya transaksi yang dapat diatribusikan secara langsung. Setelah pengakuan awal, aset keuangan tersebut diukur sebesar nilai wajar, dimana keuntungan atau kerugian diakui dalam pendapatan komprehensif lainnya, kecuali untuk kerugian akibat penurunan nilai dan keuntungan, sampai aset keuangan tersebut dihentikan pengakuannya.

Perusahaan mengukur nilai wajar instrumen ekuitas yang tidak tercatat di pasar aktif dengan menggunakan teknik penilaian berdasarkan asumsi yang wajar. Dalam keadaan tertentu dimana kisaran estimasi nilai wajar yang realistis cukup signifikan dan probabilitas berbagai estimasi tidak dapat dinilai secara wajar, maka Perusahaan mengukur nilai wajar instrumen AFS tersebut pada biaya perolehan dikurangi penurunan nilai.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**f. Transactions with Related Parties
(continued)**

- c. The entity is controlled, jointly controlled or materially affected by the Government. The government is the Ministry of Finance of the Republic of Indonesia, the stockholder of the Company and company owned by Regional Government.

All transactions with related parties, whether or not made with similar terms and conditions as those transacted with third parties, are disclosed in the consolidated financial statements.

g. Financial Assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market and are initially measured at fair value plus transaction costs, except for those financial assets classified as a fair value through profit or loss, which are initially measured at fair value.

The Company and its subsidiaries' financial assets are classified into the following specified categories: available-for-sale and loans and receivables.

Available-for-Sale Financial Assets ("AFS")

AFS are initially recognized at fair value, including directly attributable transaction costs. Subsequently, they are carried at fair value, with gains or losses recognized in other comprehensive income, except for impairment losses, until they are derecognized.

The Company measures the fair value of non-listed equity instruments by applying valuation techniques based on reasonable assumptions. In the limited case where the range of reasonable fair value measurements is significantly wide and the probabilities of the various estimates cannot be reasonably assessed, the Company records such AFS instruments at cost less impairment.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

g. Aset Keuangan (lanjutan)

Aset Keuangan Tersedia untuk Dijual ("AFS")
(lanjutan)

Dividen atas instrumen ekuitas AFS, jika ada, diakui pada laba rugi pada saat hak Perusahaan dan entitas anak untuk memperoleh pembayaran dividen ditetapkan.

Pinjaman Diberikan dan Piutang

Kas dan setara kas, piutang usaha dan piutang lain-lain dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif diklasifikasi sebagai "pinjaman diberikan dan piutang", yang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi penurunan nilai. Bunga diakui dengan menggunakan metode suku bunga efektif, kecuali piutang jangka pendek dimana pengakuan bunga tidak material.

Metode Suku Bunga Efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari instrumen keuangan dan metode untuk mengalokasikan pendapatan bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan kas di masa datang (mencakup seluruh komisi dan bentuk lain yang dibayarkan dan diterima yang merupakan bagian yang tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium dan diskonto lainnya) selama perkiraan umur instrumen keuangan, atau, jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan pada saat pengakuan awal.

Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan.

Penurunan Nilai Aset Keuangan

Aset keuangan dievaluasi terhadap indikator penurunan nilai pada setiap akhir tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara handal.

Untuk investasi ekuitas AFS yang tercatat dan tidak tercatat di bursa, penurunan yang signifikan atau jangka panjang pada nilai wajar dari investasi ekuitas di bawah biaya perolehannya dianggap sebagai bukti objektif penurunan nilai.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Financial Assets (continued)

Available-for-Sale Financial Assets ("AFS")
(continued)

Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Company and its subsidiaries' rights to receive the dividends are established.

Loans and Receivables

Cash and cash equivalents, trade receivable and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and other forms paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset and the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

g. Aset Keuangan (lanjutan)

Penurunan Nilai Aset Keuangan (lanjutan)

Untuk aset keuangan lainnya, bukti objektif penurunan nilai termasuk sebagai berikut:

- kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan.

Untuk kelompok aset keuangan tertentu, seperti piutang, aset yang dinilai tidak akan diturunkan secara individual tetapi penurunan secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Perusahaan dan entitas anak atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan *default* atas piutang.

Untuk aset keuangan yang diukur pada biaya perolehan diamortisasi, jumlah kerugian penurunan nilai merupakan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan.

Nilai tercatat aset keuangan tersebut dikurangi dengan kerugian penurunan nilai secara langsung atas aset keuangan, kecuali piutang yang nilai tercatatnya dikurangi melalui penggunaan akun cadangan kerugian penurunan nilai piutang. Jika piutang tidak tertagih, piutang tersebut dihapuskan melalui akun cadangan kerugian penurunan nilai piutang. Pemulihan kemudian dari jumlah yang sebelumnya telah dihapuskan dikreditkan terhadap akun cadangan kerugian penurunan nilai piutang. Perubahan nilai tercatat akun cadangan kerugian penurunan nilai piutang diakui dalam laporan laba rugi.

Jika aset keuangan AFS dianggap menurun nilainya, keuntungan kumulatif yang sebelumnya telah diakui dalam ekuitas direklasifikasi ke laporan laba rugi.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Financial Assets (continued)

Impairment of Financial Assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's and its subsidiaries' past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains previously recognized in equity are reclassified to profit or loss.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

g. Aset Keuangan (lanjutan)

Penurunan Nilai Aset Keuangan (lanjutan)

Pengecualian dari instrumen ekuitas AFS, jika, pada periode berikutnya, jumlah penurunan nilai berkurang dan penurunan dapat dikaitkan secara objektif dengan sebuah peristiwa yang terjadi setelah penurunan nilai tersebut diakui, kerugian penurunan nilai yang sebelumnya diakui dipulihkan melalui laporan laba rugi komprehensif hingga nilai tercatat investasi pada tanggal pemulihan penurunan nilai tidak melebihi biaya perolehan diamortisasi sebelum pengakuan kerugian penurunan nilai dilakukan.

Dalam hal efek ekuitas AFS, kerugian penurunan nilai yang sebelumnya diakui dalam laba rugi tidak boleh dipulihkan melalui laba rugi. Setiap kenaikan nilai wajar setelah penurunan nilai diakui secara langsung ke pendapatan komprehensif lainnya.

Penghentian Pengakuan Aset Keuangan

Perusahaan dan entitas anak menghentikan pengakuan aset keuangan jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset berakhir, atau Perusahaan dan entitas anak mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain. Jika Perusahaan dan entitas anak tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Perusahaan dan entitas anak mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Perusahaan dan entitas anak memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Perusahaan dan entitas anak masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

Saat penghentian pengakuan aset keuangan secara keseluruhan, selisih antara jumlah tercatat aset dan jumlah pembayaran dan piutang yang diterima dan keuntungan atau kerugian kumulatif yang telah diakui dalam pendapatan komprehensif lain dan terakumulasi dalam ekuitas diakui dalam laba rugi.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Financial Assets (continued)

Impairment of Financial Assets (continued)

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of Financial Assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company and its subsidiaries recognize their retained interest in the asset and an associated liability for amounts they may have to pay. If the Company and its subsidiaries retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company and its subsidiaries continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

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g. Aset Keuangan (lanjutan)

Penghentian Pengakuan Aset Keuangan
(lanjutan)

Saat penghentian pengakuan aset keuangan terhadap satu bagian saja (misalnya ketika Perusahaan dan entitas anak masih memiliki hak untuk membeli kembali bagian aset yang ditransfer), Perusahaan dan entitas anak mengalokasikan jumlah tercatat sebelumnya dari aset keuangan tersebut pada bagian yang tetap diakui berdasarkan keterlibatan berkelanjutan dan bagian yang tidak lagi diakui berdasarkan nilai wajar relatif dari kedua bagian tersebut pada tanggal transfer. Selisih antara jumlah tercatat yang dialokasikan pada bagian yang tidak lagi diakui dan jumlah dari pembayaran yang diterima untuk bagian yang tidak lagi diakui dan setiap keuntungan atau kerugian kumulatif yang dialokasikan pada bagian yang tidak lagi diakui tersebut yang sebelumnya telah diakui dalam pendapatan komprehensif lain diakui pada laba rugi. Keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam pendapatan komprehensif lain dialokasikan pada bagian yang tetap diakui dan bagian yang dihentikan pengakuannya, berdasarkan nilai wajar relatif kedua bagian tersebut.

h. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi Sebagai Liabilitas atau Ekuitas

Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Perusahaan dan entitas anak diklasifikasikan sesuai dengan substansi perjanjian kontraktual dan definisi liabilitas keuangan dan instrumen ekuitas.

Instrumen Ekuitas

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset Perusahaan dan entitas anak setelah dikurangi dengan seluruh liabilitasnya. Instrumen ekuitas dicatat sebesar hasil penerimaan bersih setelah dikurangi biaya penerbitan langsung.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Financial Assets (continued)

Derecognition of Financial Assets (continued)

On derecognition of a financial asset other than in its entirety (e.g., when the Company and its subsidiaries retain an option to repurchase part of a transferred asset), the Company and its subsidiaries allocate the previous carrying amount of the financial asset between the part they continue to recognize under continuing involvement, and the part they no longer recognize on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

h. Financial Liabilities and Equity Instruments

Classification as Liabilities or Equity

Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded as the proceeds received, net of direct issue costs.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

**h. Liabilitas Keuangan dan Instrumen Ekuitas
(lanjutan)**

Liabilitas Keuangan

Penerusan pinjaman, utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank, utang bank dan surat utang jangka menengah, utang obligasi (tidak termasuk sukuk ijarah dan obligasi syariah ijarah), utang listrik swasta dan pinjaman lainnya pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dengan beban bunga diakui berdasarkan metode suku bunga efektif.

Selisih antara hasil emisi (setelah dikurangi biaya transaksi) dan penyelesaian atau pelunasan pinjaman diakui selama jangka waktu pinjaman menggunakan metode suku bunga efektif.

Sukuk ijarah dan obligasi syariah ijarah pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi.

Biaya transaksi sukuk ijarah dan obligasi syariah ijarah diamortisasi menggunakan metode garis lurus sepanjang umur kontrak dan liabilitasnya.

Penghentian Pengakuan Liabilitas Keuangan

Perusahaan dan entitas anak menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas Perusahaan dan entitas anak telah dilepaskan, dibatalkan atau kadaluarsa. Selisih antara jumlah tercatat liabilitas keuangan yang dihentikan pengakuannya dan imbalan yang dibayarkan dan utang diakui dalam laba rugi.

i. Saling Hapus Antar Aset Keuangan dan Liabilitas Keuangan

Aset dan liabilitas keuangan Perusahaan dan entitas anak saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika dan hanya jika:

- saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut; dan
- berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**h. Financial Liabilities and Equity Instruments
(continued)**

Financial Liabilities

Two step loans, Government and non bank Government Financial Institution Loans, bank loans and medium term notes, bonds payable (excluding sukuk ijarah and syariah ijarah bonds), electricity purchase payable and other borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings using the effective interest rate method.

Sukuk ijarah and syariah ijarah bonds are initially measured at fair value, net of transaction costs.

Transaction costs for sukuk ijarah and syariah ijarah bonds are amortized using the straight line method over the contractual life of the liability.

Derecognition of Financial Liabilities

The Company and its subsidiaries derecognize financial liabilities when, and only when the Company's and its subsidiaries' obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the considerations paid and payable is recognized in profit or loss.

i. Netting of Financial Assets and Financial Liabilities

The Company and its subsidiaries only offset financial assets and liabilities and present the net amount in the statement of financial position where they:

- currently have a legal enforceable right to set off the recognized amount; and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

j. Aset Tetap - Pemilikan Langsung

Sebelum 31 Desember 2015, aset tetap yang dimiliki untuk digunakan, kecuali tanah, dicatat berdasarkan biaya perolehan setelah dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai. Tanah dicatat berdasarkan biaya perolehan. Aset tetap termasuk material cadangan utama dan peralatan siap pakai dengan manfaat ekonomis lebih dari satu tahun yang diperuntukkan untuk menjaga kelangsungan dan kestabilan operasi instalasi dan mesin pembangkit listrik dalam rangka memproduksi serta mendistribusikan tenaga listrik.

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas kelas-kelas aset berikut ini dari model biaya menjadi model revaluasi:

- Tanah
- Bangunan umum, waduk dan prasarana
- Instalasi dan mesin pembangkit
- Perlengkapan transmisi
- Perlengkapan distribusi
- Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik
- Material cadangan utama

Perubahan kebijakan akuntansi tersebut diterapkan secara prospektif sesuai dengan PSAK No. 25.

Kelas aset di atas, kecuali tanah, menggunakan model revaluasi, dan disajikan sebesar nilai wajar, dikurangi penyusutan dan penurunan nilai. Tanah disajikan sebesar nilai wajar. Penilaian terhadap aset-aset tersebut dilakukan oleh penilai independen eksternal yang terdaftar di Otoritas Jasa Keuangan ("OJK"). Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya. Akumulasi penyusutan pada tanggal revaluasi dieliminasi terhadap nilai tercatat bruto aset, dan nilai netonya disajikan kembali sebesar nilai revaluasian aset tetap.

Aset tetap lainnya disajikan sebesar harga perolehan dikurangi dengan penyusutan dan kerugian penurunan nilai. Harga perolehan termasuk pengeluaran yang dapat diatribusikan secara langsung atas perolehan aset tersebut.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**j. Property, Plant and Equipment - Direct
Acquisition**

Before December 31, 2015, property, plant and equipment held for use, except land rights, are stated at cost, less accumulated depreciation and any accumulated impairment losses. Land rights are stated at cost. Property, plant and equipment includes major spare parts and stand-by equipment, with economic benefits of more than one year, which are used to ensure the continuity and stability of the power plant operations and electricity installations necessary to produce and distribute electricity.

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for the following classes of assets from the cost model to the revaluation model:

- Land rights
- Buildings, reservoir and infrastructure
- Installations and power plant
- Transmission equipment
- Distribution equipment
- Telecommunication and data processing equipment used for electricity supply
- Major spare parts

That change in accounting policy is applied prospectively in accordance with SFAS No. 25.

The classes of asset above, except for land rights, use the revaluation model, and are shown at fair value, less subsequent depreciation and impairment losses. Land rights is shown at fair value. Valuation of those assets are performed by external independent valuers which are registered with the Financial Services Authority ("OJK"). Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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j. Aset Tetap - Pemilikan Langsung (lanjutan)

Kenaikan nilai tercatat yang timbul dari revaluasi aset tetap yang menggunakan model revaluasi dikreditkan pada "cadangan revaluasi aset" sebagai bagian dari pendapatan komprehensif lainnya. Penurunan yang menghapus nilai kenaikan sebelumnya atas aset yang sama dibebankan terhadap "cadangan revaluasi aset" sebagai bagian dari laba komprehensif; penurunan lainnya dibebankan pada laporan laba rugi.

Tanah tidak disusutkan. Biaya awal untuk mendapatkan hak atas tanah diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak disusutkan. Aset, kecuali tanah, disusutkan hingga mencapai estimasi nilai sisa dengan menggunakan metode garis lurus hingga mencapai estimasi nilai sisa selama masa manfaatnya sebagai berikut:

	Tahun/ Years	
Bangunan umum, waduk dan prasarana	10 - 47	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	13 - 30	<i>Installations and power plant</i>
Perlengkapan transmisi	37	<i>Transmission equipment</i>
Perlengkapan distribusi	15 - 37	<i>Distribution equipment</i>
Perlengkapan umum	4 - 8	<i>General equipment</i>
Kendaraan bermotor	3 - 5	<i>Motor vehicles</i>
Material cadangan utama	10 - 25	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	5 - 10	<i>Telecommunication and data processing equipment used for supply</i>
Perlengkapan pengolahan data dan telekomunikasi lainnya	5 - 10	<i>Other telecommunication and data processing equipment</i>
Kapal dan perlengkapan	10 - 47	<i>Vessel and equipment</i>

Aset sewa pembiayaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset yang dimiliki sendiri atau disusutkan selama jangka waktu yang lebih pendek antara periode masa sewa dan umur manfaatnya ketika tidak ada kepastian yang memadai bahwa Perusahaan dan entitas anak akan mendapatkan hak kepemilikan pada akhir masa sewa.

Masa manfaat ekonomis, nilai sisa dan metode penyusutan dievaluasi setiap akhir tahun dan pengaruh dari setiap perubahan estimasi tersebut berlaku prospektif.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Property, Plant and Equipment - Direct Acquisition (continued)

Increases in the carrying amount arising on revaluation of property, plant, and equipment that use revaluation model are credited to "asset revaluation reserve" as part of other comprehensive income. Decreases that offset previous increases of the same asset are debited against "asset revaluation reserve" as part of other comprehensive income; all other decreases are charged to the profit or loss.

Land rights are not depreciated. Initial costs incurred to obtain land rights are recognized as part of the acquisition cost of the land rights, and these costs are not depreciated. Assets, except land rights, are depreciated to their residual value using the straight-line method to their residual values over their expected useful lives as follows:

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant leases where there is no reasonable certainty that the Company and its subsidiaries will obtain ownership at the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

j. Aset Tetap - Pemilikan Langsung (lanjutan)

Beban pemeliharaan dan perbaikan dibebankan pada laporan laba rugi pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap dicatat sebagai biaya perolehan aset jika dan hanya jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal.

Aset tetap yang sudah tidak digunakan lagi atau yang dijual nilai tercatatnya dikeluarkan dari kelompok aset tetap. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laporan laba rugi.

Aset yang untuk sementara waktu tidak digunakan dalam operasi dicatat sebagai bagian dari aset tetap. Aset yang sementara waktu tidak digunakan dalam operasi disusutkan dengan metode dan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset tetap.

k. Penurunan Nilai Aset Non-Keuangan

Aset yang diamortisasi atau disusutkan dikaji untuk penurunan nilai jika terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa jumlah tercatat kemungkinan tidak dapat dipulihkan. Kerugian penurunan nilai diakui sebesar kelebihan jumlah tercatat aset atas jumlah terpulihkannya. Jumlah terpulihkan merupakan jumlah yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakainya. Dalam rangka menguji penurunan nilai, aset dikelompokkan hingga unit terkecil yang menghasilkan arus kas terpisah (unit penghasil kas). Aset nonkeuangan yang mengalami penurunan nilai, ditelaah untuk menentukan apakah terdapat kemungkinan pembalikan penurunan nilai, pada setiap tanggal pelaporan.

Pembalikan rugi penurunan nilai, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi. Pembalikan tersebut tidak boleh mengakibatkan nilai tercatat aset melebihi biaya perolehan didepresiasi sebelum adanya pengakuan penurunan nilai pada tanggal pembalikan dilakukan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**j. Property, Plant and Equipment - Direct
Acquisition (continued)**

The costs of maintenance and repairs are charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as assets if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Assets that are temporarily not used in operations are recorded as part of property, plant and equipment. Assets not used in operations are depreciated using the same method and based on the economic useful lives of the property, plant and equipment.

k. Impairment of Non-Financial Assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Reversal on impairment loss for assets would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized in profit or loss. The reversal will not result in the carrying amount of an asset that exceeds what the depreciated cost would have been had the impairment not been recognized at the date at which the impairment was reversed.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

I. Sewa

Penentuan Apakah Suatu Perjanjian
Mengandung Suatu Sewa

ISAK 8, "Penentuan Apakah Suatu Perjanjian Mengandung Suatu Sewa" memberikan panduan untuk menentukan apakah suatu perjanjian merupakan sewa atau mengandung sewa sehingga harus diperlakukan sesuai dengan PSAK 30 (Revisi 2011), "Sewa".

Penyelenggaraan usaha tenaga listrik di Indonesia dikendalikan oleh Pemerintah dan dilaksanakan oleh Perusahaan sebagai Badan Usaha Milik Negara selaku Pemegang Kuasa Usaha Ketenagalistrikan. Pemegang Kuasa Usaha Ketenagalistrikan dan setiap pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum harus memastikan ketersediaan tenaga listrik di setiap wilayah operasinya.

Perusahaan dan entitas anak mengadakan perjanjian jual beli tenaga listrik ("PPA" dan "ESC") dengan penyedia dan pengembang tenaga listrik swasta ("IPP"). IPP tersebut merupakan pemegang Izin Usaha Ketenagalistrikan untuk kepentingan umum, yang dapat diserahkan kepada entitas usaha lain dengan tanggung jawab untuk menghasilkan tenaga listrik guna kepentingan umum.

Berdasarkan surat Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan ("Bapepam-LK") yang kemudian bergabung menjadi bagian dari Otoritas Jasa Keuangan ("OJK"), No. S-2366/BL/2009 tertanggal 30 Maret 2009, penyediaan tenaga listrik oleh IPP kepada Perusahaan dan entitas anak yang termasuk dalam kategori perjanjian pelaksanaan jasa publik ke swasta dikecualikan dari penerapan ISAK 8 sampai DSAK-IAI menerbitkan interpretasi standar akuntansi yang spesifik mengatur transaksi tersebut. Sebagai hasilnya, Perusahaan dan entitas anak tetap mengikuti kebijakan akuntansi yang berlaku, dimana pembelian listrik dianggap sebagai transaksi pembelian komoditas normal.

Berdasarkan Peraturan Otoritas Jasa Keuangan ("OJK") No. 6/POJK.04/2017 tanggal 1 Maret 2017 tentang Perlakuan Akuntansi atas Transaksi Berdasarkan Perjanjian Jual Beli Tenaga Listrik, transaksi berdasarkan perjanjian jual beli tenaga listrik diperlakukan sebagai transaksi jual beli. Peraturan tersebut bersifat wajib bagi perusahaan publik dan berlaku secara prospektif untuk laporan keuangan periode yang dimulai pada atau setelah tanggal 1 Januari 2017.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

I. Leases

Determining Whether an Arrangement
Contains a Lease

ISFAS 8, "Determining Whether an Arrangement Contains a Lease" provides guidance in determining whether an arrangement is in substance a lease that should be accounted for in accordance with SFAS 30 (Revised 2011), "Leases".

The electric power business in Indonesia is controlled by the Government and carried out by the Company as a state-owned enterprise, which serves as the holder of an Electricity Business Proxy. The holder of an Electricity Business Proxy and each holder of an Electricity Business License for public use must ensure the adequacy of electric power supply in each of their operating areas.

The Company and its subsidiaries entered into power purchase agreements ("PPA") and energy sales contracts ("ESC") with Independent Power Producers ("IPP"). Those IPPs are holders of Electricity Business License for public use, which may be granted to other business entities with responsibility to generate electricity for public use.

Based on letter No. S-2366/BL/2009 dated March 30, 2009 from the Chairman of the Capital Market and Financial Institutions Supervisory Agency ("Bapepam-LK"), which has subsequently been merged into the Financial Services Authority ("OJK"), power supply arrangements by IPPs to the Company and its subsidiaries that are categorized as public-to private concession arrangements, are exempt from the application of ISFAS 8, until DSAK-IAI has issued an accounting interpretation that can specifically address such transactions. As a result, the Company and its subsidiaries continued to follow its existing accounting policy in which the supply of electricity is accounted for as a normal purchase of commodity.

Based on regulation of the Financial Services Authority ("OJK") No. 6/POJK.04/2017 dated March 1, 2017 regarding Accounting Treatment for Transactions under Power Purchase Agreement, transactions under power purchase agreement is accounted as sale and purchase transaction. The regulation is mandatory for financial statements of listed company for period beginning on or after January 1, 2017 and apply prospectively.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

I. Sewa (lanjutan)

Penentuan Apakah Suatu Perjanjian
Mengandung Suatu Sewa (lanjutan)

Penerapan dini atas peraturan tersebut untuk laporan keuangan periode yang dimulai pada atau setelah tanggal 1 Januari 2016 diperkenankan. Manajemen berpendapat bahwa peraturan tersebut tidak berdampak terhadap laporan keuangan sebelum 1 Januari 2016.

Manajemen mengevaluasi dampak dari ISAK 16, "Perjanjian Konsesi Jasa" (efektif berlaku tanggal 1 Januari 2012) terhadap Perjanjian Jual Beli Tenaga Listrik Perusahaan dan entitas anak dengan IPP dan menetapkan bahwa transaksi tersebut tidak termasuk dalam ruang lingkup Interpretasi, yang berisi untuk operator atas perjanjian konsesi jasa publik ke swasta. Selanjutnya, sesuai dengan surat manajemen tanggal 22 Desember 2011 kepada Ketua Bapepam-LK, manajemen memutuskan untuk menerapkan ketentuan ISAK 8, sesuai dengan PSAK 30, terhadap Perjanjian Jual Beli Tenaga Listrik mulai tanggal 1 Januari 2012.

Klasifikasi Sewa

Sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset kepada lessee. Sewa lainnya, yang tidak memenuhi kriteria tersebut diklasifikasikan sebagai sewa operasi.

Pembayaran sewa harus dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pengurangan dari liabilitas sewa sehingga mencapai suatu tingkat bunga konstan (tetap) atas saldo liabilitas. Rental kontinjen dibebankan pada periode terjadinya.

Pembayaran sewa operasi (dikurangi dengan insentif yang diterima dari lessor) diakui sebagai beban dengan dasar garis lurus (*straight-line basis*) selama masa sewa, kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat aset yang dinikmati pengguna. Rental kontinjen diakui dalam sewa operasi sebagai beban di dalam periode terjadinya.

Dalam hal insentif diperoleh dalam sewa operasi, insentif tersebut diakui sebagai liabilitas. Keseluruhan manfaat dari insentif diakui sebagai pengurangan dari beban sewa dengan dasar garis lurus, kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat yang dinikmati pengguna.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

I. Leases (continued)

Determining Whether an Arrangement
Contains a Lease (continued)

Early adoption of the regulation is permitted for financial statements for period beginning on or after January 1, 2016. Management believes that the regulation has no impact to financial statements prior to January 1, 2016.

Management assessed the impact of ISFAS 16, "Service Concession Arrangements" (effective January 1, 2012) on the Company's and its subsidiaries' Power Supply Contracts with IPPs and determined that such transactions do not qualify under the scope of the Interpretation, which addresses the accounting of the operators of public-to-private concession arrangements. Subsequently, in its letter dated December 22, 2011 to the Chairman of Bapepam-LK, management decided to apply the provisions of ISFAS 8, in accordance with SFAS 30, on its Power Supply Contracts from January 1, 2012.

Lease Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incident to ownership of an asset to the lessee. All other leases are classified as operating leases.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rents are recognized as expenses in the periods in which they are incurred.

Operating lease payments (net of any incentives received from the lessor) are recognized as expenses on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rents arising under operating leases are recognized as expenses in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as liabilities. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

i. Sewa (lanjutan)

Klasifikasi Sewa (lanjutan)

Perusahaan dan entitas anak menetapkan bahwa beberapa perjanjian pembelian tenaga listrik dan perjanjian pembelian energi dengan Penghasil Listrik Independen (IPP) memenuhi persyaratan sebagai sewa dengan dasar bahwa Perusahaan dan entitas anak dan IPP memiliki perjanjian *take or pay*, dimana Perusahaan dan entitas anak mengambil hampir seluruh listrik dan energi yang dihasilkan oleh pembangkit listrik. Jenis perjanjian ini ditetapkan sebagai sewa pembiayaan dimana porsi signifikan dari risiko dan manfaat atas sejumlah pembangkit listrik telah dialihkan ke Perusahaan dan entitas anak dengan dasar bahwa masa sewa adalah untuk sebagian besar umur ekonomis aset dan terdapat opsi beli pada akhir masa sewa.

m. Pekerjaan Dalam Pelaksanaan

Pekerjaan dalam pelaksanaan merupakan biaya-biaya yang berhubungan langsung dengan pembangunan aset tetap. Pekerjaan dalam pelaksanaan dinyatakan sebesar biaya perolehan, termasuk biaya pinjaman selama masa pembangunan dari pinjaman yang digunakan untuk pembangunan dan beban penyusutan aset tetap yang digunakan dalam pekerjaan pembangunan. Pekerjaan dalam pelaksanaan perolehan akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

n. Biaya Pinjaman

Biaya pinjaman yang dapat diatribusikan secara langsung dengan perolehan, konstruksi atau pembuatan aset kualifikasian, merupakan aset yang membutuhkan waktu yang cukup lama agar siap untuk digunakan atau dijual, ditambahkan pada biaya perolehan aset tersebut, sampai dengan saat selesainya aset secara substansial siap untuk digunakan atau dijual.

Untuk pinjaman yang tidak dapat diatribusikan secara langsung pada suatu aset kualifikasian, jumlah yang direkapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi terhadap jumlah yang dikeluarkan untuk memperoleh aset kualifikasian. Tingkat kapitalisasi dihitung berdasarkan rata-rata tertimbang biaya pinjaman yang dibagi dengan jumlah pinjaman yang tersedia selama periode, selain pinjaman yang secara spesifik diambil untuk tujuan memperoleh suatu aset kualifikasian.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Leases (continued)

Lease Classification (lanjutan)

The Company and its subsidiaries determined that certain power purchase agreements and energy sales contracts with Independent Power Producers (IPPs) qualify as leases on the basis that the Company and its subsidiaries and the IPPs have take or pay arrangements where the Company and its subsidiaries are taking substantially all electricity and energy output from the power plants. This type of arrangement is determined to be a finance lease where a significant portion of the risks and rewards of ownership of certain power plants have been transferred to the Company and its subsidiaries on the basis that the lease term is for the major part of the economic life of the assets and there is a bargain purchase option at the end of the lease term.

m. Construction in Progress

Construction in progress represents costs directly related to the construction of property, plant and equipment. Construction in progress is stated at cost, which includes borrowing costs during construction on debts incurred to finance the construction and depreciation of property and equipment that were used in the construction. Construction in progress is transferred to the respective property, plant and equipment account when completed and ready for use.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

For borrowings that are not directly attributable to a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expensed on the qualifying assets. The capitalization rate is the weighted average of the total borrowings cost applicable to the total borrowings outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

n. Biaya Pinjaman (lanjutan)

Biaya pinjaman dikapitalisasi yang berasal dari rugi selisih kurs dibatasi sedemikian rupa sehingga jumlah dikapitalisasi tidak melebihi jumlah biaya pinjaman yang mungkin terjadi jika pinjaman tersebut dilakukan dengan menggunakan mata uang fungsional pada periode tersebut.

Penghasilan investasi diperoleh atas investasi sementara dari pinjaman yang secara spesifik belum digunakan untuk pengeluaran aset kualifikasian dikurangi dari biaya pinjaman yang dikapitalisasi.

Semua biaya pinjaman lainnya diakui dalam laporan laba rugi pada periode terjadinya.

o. Properti Investasi

Properti investasi adalah properti (tanah atau bangunan atau bagian dari suatu bangunan atau kedua-duanya) untuk menghasilkan rental atau untuk kenaikan nilai atau kedua-duanya. Sebelum tanggal 31 Desember 2015, properti investasi diukur sebesar nilai perolehan setelah dikurangi akumulasi penyusutan dan setiap akumulasi kerugian penurunan nilai. Tanah dinyatakan berdasarkan biaya perolehan dan tidak disusutkan.

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas properti investasi dari model biaya menjadi model revaluasi.

Perubahan kebijakan akuntansi tersebut diterapkan secara prospektif sesuai dengan PSAK 25.

Tanah disajikan sebesar nilai wajar. Penilaian terhadap aset-aset tersebut dilakukan oleh penilai independen eksternal yang terdaftar di OJK. Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

n. Borrowing Costs (continued)

Borrowing costs are capitalized from foreign exchange losses to an extent by which the capitalized amount does not exceed the amount of borrowing costs which may have been incurred had the loan been denominated in the functional currency.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Investment Properties

Investment properties are properties (land rights or a building - or part of building - or both) held to earn rentals or for capital appreciation or both. Before December 31, 2015, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Land rights are stated at cost and are not depreciated.

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for investment properties from the cost model to the revaluation model.

That change in accounting policy is applied prospectively in accordance with SFAS 25.

Land rights are shown at fair value. Valuation of those assets are performed by external independent valuers which are registered with OJK. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

p. Investasi pada Entitas Asosiasi dan Ventura Bersama

Investasi pada Entitas Asosiasi

Entitas asosiasi adalah seluruh entitas dimana Perusahaan dan entitas anak memiliki pengaruh signifikan namun bukan pengendalian, biasanya melalui kepemilikan hak suara antara 20% dan 50%. Investasi entitas asosiasi dicatat dengan metode ekuitas. Sesuai metode ekuitas, investasi pada awalnya dicatat pada biaya, dan nilai tercatat akan meningkat atau menurun untuk mengakui bagian investor atas laba rugi. Di dalam investasi Perusahaan dan entitas anak atas entitas asosiasi termasuk *goodwill* yang diidentifikasi ketika akuisisi.

Penghasilan dan aset dan liabilitas dari entitas asosiasi digabungkan dalam laporan keuangan konsolidasian dicatat dengan menggunakan metode ekuitas, kecuali ketika investasi diklasifikasikan sebagai dimiliki untuk dijual, sesuai PSAK 58 (Revisi 2009), "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan". Dalam menerapkan metode ekuitas, bagian Perusahaan dan entitas anak atas laba rugi atas entitas asosiasi setelah perolehan diakui dalam laba rugi, dan bagian perusahaan atas pendapatan komprehensif lainnya setelah tanggal perolehan diakui dalam pendapatan komprehensif lainnya. Perubahan dan penerimaan distribusi dari entitas asosiasi setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi. Bagian Perusahaan dan entitas anak atas kerugian entitas asosiasi yang melebihi nilai tercatat dari investasi (yang mencakup semua kepentingan jangka panjang, secara substansi, merupakan bagian dari Perusahaan dan nilai investasi bersih entitas anak dalam entitas asosiasi) diakui hanya sebatas bahwa Perusahaan dan entitas anak telah mempunyai kewajiban hukum atau kewajiban konstruktif atau melakukan pembayaran atas kewajiban entitas asosiasi.

Keuntungan yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dengan entitas asosiasi dieliminasi sebesar bagian Perusahaan dan entitas anak dalam entitas asosiasi. Kerugian yang belum direalisasi juga dieliminasi kecuali transaksi tersebut memberikan bukti penurunan nilai atas aset yang ditransfer. Kebijakan akuntansi entitas asosiasi akan disesuaikan, apabila diperlukan, agar konsisten dengan kebijakan akuntansi Perusahaan dan entitas anak.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Investments in Associates and Joint Venture

Investments in Associates

Associates are all entities over which the Company and its subsidiaries has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or the loss of the investee after the date of acquisition. The Company and its Subsidiary investment in associates includes goodwill identified on acquisition.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when investment is classified as held for sale, in which case, it is accounted for in accordance with SFAS 58 (Revised 2009), "Non-Current Assets Held for Sale and Discontinued Operations". In applying the equity method of accounting, the Company and its subsidiaries' share of its associate's post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from a associate are adjusted against the carrying amounts of the investment. Losses of the associates in excess of the Company and its subsidiaries' interests in those associates (which includes any long-term interests that, in substance, form part of the Company and its subsidiaries' net investment in the associate) are recognized only to the extent that the Company and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its subsidiaries and associates are eliminated to the extent of the Company and its subsidiaries' interests in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of the associates have been changed when necessary to ensure consistency with the accounting policy adopted by the Company and its subsidiaries.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

p. Investasi pada Entitas Asosiasi dan Ventura Bersama (lanjutan)

Investasi pada Entitas Asosiasi (lanjutan)

Pada setiap tanggal pelaporan Perusahaan menentukan apakah ada bukti objektif bahwa terdapat indikasi penurunan nilai untuk menentukan apakah perlu untuk mengakui penurunan nilai sehubungan dengan investasi pada entitas asosiasi Perusahaan dan entitas anak. Jika terdapat indikasi penurunan nilai, jumlah tercatat investasi yang tersisa (termasuk goodwill) diuji penurunan nilai sesuai dengan PSAK 48 (Revisi 2014), "Penurunan Nilai Aset", sebagai suatu aset tunggal dengan membandingkan antara jumlah terpulihkan (mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi biaya untuk menjual) dengan jumlah tercatatnya. Rugi penurunan nilai yang diakui pada keadaan tersebut tidak dialokasikan pada setiap aset yang membentuk bagian dari nilai tercatat investasi pada entitas asosiasi. Setiap pembalikan dari penurunan nilai diakui sesuai dengan PSAK 48 sepanjang jumlah terpulihkan dari investasi tersebut kemudian meningkat.

Pada saat pelepasan suatu entitas asosiasi yang mengakibatkan Perusahaan dan entitas anak kehilangan pengaruh signifikan atas entitas asosiasi, investasi yang tersisa diukur pada nilai wajar pada saat pengakuan awal Investasi AFS atau Investasi yang Dimiliki untuk Diperjualbelikan sesuai dengan PSAK 55. Selisih antara jumlah tercatat sebelumnya atas entitas asosiasi diatribusikan ke sisa kepemilikan dan nilai wajar termasuk dalam penentuan keuntungan atau kerugian atas pelepasan entitas asosiasi. Selanjutnya, Perusahaan dan entitas anak memperhitungkan seluruh jumlah yang sebelumnya diakui dalam pendapatan komprehensif lain yang terkait dengan entitas asosiasi tersebut dengan menggunakan dasar yang sama dengan yang diperlukan jika entitas asosiasi telah melepaskan secara langsung aset dan liabilitas yang terkait. Oleh karena itu, jika keuntungan atau kerugian yang sebelumnya telah diakui dalam pendapatan komprehensif lain oleh entitas asosiasi akan direklasifikasi ke laba rugi atas pelepasan aset atau liabilitas yang terkait, maka Perusahaan dan entitas anak mereklasifikasi keuntungan atau kerugian dari ekuitas ke laba rugi (sebagai penyesuaian reklasifikasi) sejak Perusahaan dan entitas anak kehilangan pengaruh signifikan atas entitas asosiasi.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Investments in Associates and Joint Venture (continued)

Investments in Associates (continued)

The Company determines at each reporting date whether there is any objective evidence that impairment indicators exist to determine whether it is necessary to recognize any impairment loss with respect to the Company and its subsidiaries' investment in an associate. If impairment indicators exist, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFAS 48 (Revised 2014), "Impairment of Assets", as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with SFAS 48 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Company and its subsidiaries losing significant influence over that associate, any retained investment is measured at fair value on the initial recognition of an AFS or Held for Trading Investment in accordance with SFAS 55. The difference between the previous carrying amount of the associate attributable to the retained interest and the fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company and its subsidiaries reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

**p. Investasi pada Entitas Asosiasi dan Ventura
Bersama (lanjutan)**

Bagian partisipasi dalam ventura bersama

Menurut PSAK 66, pengaturan bersama diklasifikasikan sebagai operasi bersama atau ventura bersama bergantung pada hak dan kewajiban kontraktual para investor. Perusahaan dan entitas anak telah menilai sifat dari pengaturan bersama dan menentukan pengaturan tersebut sebagai ventura bersama.

Hasil operasi, aset dan liabilitas dari ventura bersama disajikan dalam laporan keuangan konsolidasian menggunakan metode ekuitas. Dalam menerapkan metode ekuitas, bagian Perusahaan dan entitas anak atas laba rugi atas ventura bersama setelah perolehan diakui dalam laba rugi, dan bagian Perusahaan atas pendapatan komprehensif lainnya setelah tanggal perolehan diakui dalam pendapatan komprehensif lainnya. Perubahan dan penerimaan distribusi dari ventura bersama setelah tanggal perolehan disesuaikan terhadap nilai tercatat investasi.

Jika bagian Perusahaan dan entitas anak atas rugi ventura bersama sama dengan atau melebihi kepentingannya pada ventura bersama, termasuk piutang tidak lancar tanpa jaminan, maka Perusahaan menghentikan pengakuan bagiannya atas rugi lebih lanjut, kecuali perusahaan dan entitas anak memiliki kewajiban untuk melakukan pembayaran atau telah melakukan pembayaran atas nama ventura bersama.

Penyesuaian dibentuk terhadap laporan keuangan konsolidasian untuk mengeliminasi bagian Perusahaan dan entitas anak atas keuntungan dan kerugian yang belum direalisasi atas transaksi antara Perusahaan dan entitas anak dan ventura bersama. Ventura bersama dicatat dengan menggunakan metode ekuitas sampai dengan tanggal dimana Perusahaan dan entitas anak kehilangan pengaturan bersama atas entitas yang diatur bersama.

Kebijakan akuntansi ventura bersama telah diubah jika diperlukan untuk memastikan konsistensi dari kebijakan yang diterapkan oleh Perusahaan dan entitas anak.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**p. Investments in Associates and Joint
Venture (continued)**

Interest in joint ventures

Under SFAS 66 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company and its subsidiaries have assessed the nature of its joint arrangements and determined them to be joint ventures.

The result of operations and assets and liabilities of a joint venture are incorporated in these consolidated financial statements using the equity method. In applying the equity method of accounting, the Company and its subsidiaries' share of its joint venture's post-acquisition profits or losses is recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from a joint venture are adjusted against the carrying amounts of the investment.

When the Company and its subsidiaries' share of the losses of a joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Company does not recognize further losses, unless it has obligations to make or has made payments on behalf of the joint venture.

Adjustments are made in the consolidated financial statements to eliminate the Company and its subsidiaries' share of unrealized gains and losses on transactions between the Company and its subsidiaries and the joint ventures. The joint ventures are carried at equity method until the date on which the Company and its subsidiaries cease to have joint arrangements over the joint ventures.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company and its subsidiaries.

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p. Investasi pada Entitas Asosiasi dan Ventura Bersama (lanjutan)

Bagian partisipasi dalam ventura bersama (lanjutan)

Perusahaan dan entitas anak mengukur dan mengakui sisa investasi pada nilai wajar setelah hilangnya pengendalian dan ventura bersama tidak menjadi entitas anak atau entitas asosiasi. Selisih antara nilai tercatat atas hilangnya ventura bersama dengan agregat nilai wajar sisa investasi dan hasil pelepasan diakui pada laba rugi. Ketika sisa investasi mempunyai pengaruh yang signifikan, investasi tersebut dicatat sebagai investasi pada entitas asosiasi.

q. Aset Takberwujud

Biaya Pengembangan Piranti Lunak

Biaya yang terkait dengan pemeliharaan program piranti lunak komputer diakui sebagai beban pada saat terjadinya. Biaya pengembangan yang dapat secara langsung diatribusikan kepada desain dan pengujian produk piranti lunak yang dapat diidentifikasi dan unik yang dikendalikan oleh Perusahaan dan entitas anak diakui sebagai aset takberwujud. Biaya pengembangan piranti lunak komputer diakui sebagai aset yang diamortisasi dengan metode garis lurus berdasarkan estimasi masa manfaatnya.

Biaya Legal Terkait Pembaruan Hak Atas Tanah

Biaya legal terkait dengan pembaruan hak atas tanah diakui sebagai aset takberwujud dan diamortisasi sepanjang umur hukum hak atas tanah.

r. Biaya Dibayar Dimuka

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

s. Kas dan Setara Kas

Untuk tujuan penyajian arus kas, kas dan setara kas terdiri dari kas, bank dan semua investasi yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan tidak dijamin serta tidak dibatasi penggunaannya.

Rekening bank dan deposito berjangka dibatasi penggunaannya diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Untuk kebijakan akuntansi pinjaman yang diberikan dan piutang, lihat Catatan 3g.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Investments in Associates and Joint Venture (continued)

Interest in joint ventures (continued)

The Company and its subsidiaries measure and recognize the remaining investment at fair value upon loss of control, provided the joint ventures do not become subsidiaries or associates. Any difference between the carrying amount of the joint ventures upon loss of control, and the aggregate of the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

q. Intangible Assets

Software Development Cost

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company and its subsidiaries are recognized as intangible assets. Computer software development costs recognized as assets are amortized using the straight line method over their estimated useful lives.

Legal Costs to Renew Land Rights

Legal costs related to renewal of land rights are recognized as intangible assets and amortized over the period of the land rights.

r. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

s. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash in hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

Restricted cash in banks and time deposits are classified as loans and receivables. Refer to Note 3g for the accounting policy on loans and receivables.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

t. Persediaan

Persediaan dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan ditentukan dengan metode rata-rata bergerak.

Di dalam penentuan nilai realisasi bersih, Perusahaan dan entitas anak tidak menurunkan nilai persediaan yang digunakan untuk produksi tenaga listrik apabila Perusahaan dan entitas anak mampu memperoleh pendapatan penjualan tenaga listrik di atas biaya perolehan persediaan tersebut.

u. Pinjaman dan Utang Obligasi (Termasuk Sukuk Ijarah)

Pinjaman dan utang obligasi diklasifikasikan sebagai liabilitas keuangan. Kebijakan akuntansi untuk liabilitas keuangan dijelaskan dalam Catatan 3h.

v. Pengakuan Pendapatan dan Beban

Penjualan Tenaga Listrik

Pendapatan penjualan listrik diakui berdasarkan pemakaian energi listrik (kWh). Beban diakui pada saat terjadinya (dasar akrual).

Subsidi Listrik Pemerintah

Subsidi listrik Pemerintah yang diberikan melalui Perusahaan diakui sebagai pendapatan atas dasar akrual yang dihitung berdasarkan ketentuan Peraturan Menteri Keuangan Republik Indonesia.

Biaya Penyambungan Pelanggan

Perusahaan mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi tersebut.

Pendapatan Usaha Lainnya

Pendapatan usaha lainnya merupakan pendapatan yang berasal dari pelayanan jaringan dan jasa telekomunikasi, sewa trafo dan jasa-jasa administratif lainnya. Pendapatan lainnya diakui dengan mengacu pada tingkat penyelesaian transaksi tersebut pada tanggal pelaporan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

t. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the moving average method.

In determining the net realizable values, the Company and its subsidiaries do not write down inventories held in use for production of electricity below their costs when the Company and its subsidiaries are able to sell electricity above the costs of inventories.

u. Borrowings and Bonds Payable (Including Sukuk Ijarah)

Borrowings and bonds payable are classified as financial liabilities. Refer to Note 3h for the accounting policy on financial liabilities.

v. Revenue and Expense Recognition

Sale of Electricity

Revenue from the sale of electricity is recognized based on electricity usage (kWh). Expenses are recognized when incurred (accrual basis).

The Government's Electricity Subsidy

The Government's electricity subsidy is recognized as revenue on an accrual basis which is computed in accordance with the provisions stipulated in the Decree of the Ministry of Finance of the Republic of Indonesia.

Customers Connection Fees

The Company recognizes connection fees received from customers that are used to construct or acquire property, plant, and equipment to connect the customers to its network as revenues when the Company completes the connection service.

Other Revenues

Other revenues consist of telecommunication network and services, transformer rental and other administrative services. Other revenue is recognized with reference to the stage of completion of the transaction at the reporting date.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

v. Pengakuan Pendapatan dan Beban (lanjutan)

Pendapatan Bunga

Pendapatan bunga diakui berdasarkan waktu terjadinya dengan acuan jumlah pokok terutang dan tingkat bunga yang berlaku.

w. Pembelian Tenaga Listrik

Perusahaan dan entitas anak memiliki sejumlah PPA dan ESC dengan IPP. Dalam perjanjian tersebut, Perusahaan dan entitas anak membayar pasokan tenaga listrik yang disediakan oleh IPP sebesar jumlah yang ditentukan berdasarkan formula pembayaran. Pembayaran tersebut mencakup komponen biaya berbeda yaitu komponen kapasitas dan energi untuk PPA, komponen sumber daya dan pembangkitan untuk ESC, komponen operasional dan pemeliharaan yang tergantung pada tingkat pasokan energi serta variabel lain yang ditentukan dalam perjanjian.

Sebagai akibat penerapan ISAK 8, Perusahaan dan entitas anak telah mengevaluasi apakah PPA dengan IPP mengandung unsur sewa. Apabila terdapat unsur sewa, maka Perusahaan dan entitas anak perlu melakukan kajian untuk menentukan apakah sewa tersebut diklasifikasikan sebagai sewa pembiayaan atau sewa operasi. Lihat Catatan 3I untuk kebijakan akuntansi mengenai sewa.

Biaya yang dibayarkan Perusahaan untuk membeli tenaga listrik dari perjanjian yang tidak mengandung unsur sewa dibebankan dalam laporan laba rugi tahun berjalan.

x. Pensiun dan Imbalan Kerja

Mulai 1 Januari 2015, Perusahaan dan entitas anak menerapkan PSAK No. 24 (Revisi 2013), "Imbalan Kerja".

Dengan penerapan standar ini, terdapat beberapa perubahan terkait dengan pengakuan, pengukuran dan pengungkapan. Salah satu perubahan yang berpengaruh signifikan terhadap laporan keuangan Perusahaan dan entitas anak adalah pengakuan keuntungan dan kerugian aktuarial. Sebelumnya, Perusahaan dan entitas anak menangguhkan pengakuan keuntungan dan kerugian aktuarial dengan metode koridor. Saat ini, Perusahaan dan entitas anak harus mencatat keuntungan dan kerugian aktuarial secara langsung pada Pendapatan Komprehensif Lainnya. Reklasifikasi jumlah yang sudah diakui di Pendapatan Komprehensif Lainnya ke Laba Rugi tidak diperkenankan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**v. Revenue and Expense Recognition
(continued)**

Interest Income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

w. Purchase of Electricity

The Company and its subsidiaries have various PPAs and ESCs with IPPs. Under those contracts, the Company and its subsidiaries pay the IPP for the supply of energy at an amount determined in accordance with the payment formula in which payment for different cost components, such as capacity and energy components for the PPA, resource and generation components for the ESC, as well as operations and maintenance components, depends on the level of energy supplied and other variables stipulated in the agreement.

As a result of adopting ISFAS 8, the Company and its subsidiaries have assessed whether a lease element is embedded in each of the PPAs with IPPs. If the agreement contains a lease, the Company and its subsidiaries will have to evaluate whether it is a finance or an operating lease based on the contractual terms of the agreement. Please refer to Note 3I for the accounting policies for leases.

The costs paid to purchase electricity on agreements that do not contain a lease are recognized as expenditures in the profit or loss account as incurred

x. Pension and Employee Benefits

Effectively on January 1, 2015, the Company and its subsidiaries applied SFAS No. 24 (Revised 2013), "Employee Benefits".

Upon the application of this standard, there are a few changes regarding recognitions, measurements and disclosures. One of the changes that significantly affects the Company and its subsidiaries' financial statements is the recognition of actuarial gains and losses. Previously, the Company and its subsidiaries deferred the recognition of actuarial gains and losses using the corridor approach. Currently, the Company and its subsidiaries must recognize actuarial gains and losses immediately in Other Comprehensive Income. Reclassification of the amount recognized in Other Comprehensive Income to profit or loss is not allowed.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

x. Pensiun dan Imbalan Kerja (lanjutan)

Imbalan Pascakerja

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Perusahaan dan entitas anak juga memberikan imbalan pascakerja lain tanpa pendanaan kepada karyawan yang memenuhi persyaratan sesuai dengan kebijakan Perusahaan dan entitas anak.

Sehubungan dengan program imbalan pasti, liabilitas diakui pada laporan posisi keuangan sebesar nilai kini kewajiban imbalan pasti pada akhir periode pelaporan dikurangi nilai wajar aset program. Kewajiban imbalan pasti dihitung setiap tahun oleh aktuaris yang independen dengan menggunakan metode *Projected Unit Credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan arus kas keluar yang diestimasi dengan menggunakan tingkat bunga Obligasi Pemerintah (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) yang didenominasikan dalam mata uang dimana imbalan akan dibayarkan dan memiliki jangka waktu jatuh tempo mendekati jangka waktu kewajiban pensiun.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui pendapatan komprehensif lainnya pada saat terjadinya.

Biaya jasa lalu diakui segera dalam laporan laba rugi.

Imbalan Kerja Jangka Panjang

Perhitungan imbalan kerja jangka panjang ditentukan dengan menggunakan metode *Projected Unit Credit*. Biaya jasa lalu diakui segera dalam laba rugi. Perusahaan dan entitas anak mengakui keuntungan dan kerugian atas kurtailmen atau penyelesaian suatu program imbalan pasti ketika kurtailmen atau penyelesaian tersebut terjadi. Keuntungan atau kerugian atas kurtailmen atau penyelesaian program manfaat pasti diakui di laba rugi ketika kurtailmen atau penyelesaian tersebut terjadi.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

x. Pension and Employee Benefits (continued)

Post-employment Benefit

The Company and its subsidiaries have established a defined benefit pension plan covering all of their eligible permanent employees. The Company and its subsidiaries also provide other unfunded defined post-employment benefit plans for their qualifying employees based on the Company and its subsidiaries' policies.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the *Projected Unit Credit* method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

Long-term Benefits

Long-term benefits are determined using the *Projected Unit Credit* method. Past service costs are recognized immediately in profit or loss. The Company and its subsidiaries recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement of a defined benefit plan is recognized in profit or loss when the curtailment or settlement occurs.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

x. Pensiun dan Imbalan Kerja (lanjutan)

Imbalan Kerja Jangka Panjang (lanjutan)

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui laba rugi.

Jumlah yang diakui sebagai liabilitas imbalan kerja jangka panjang di laporan posisi keuangan konsolidasian merupakan nilai kini liabilitas imbalan kerja pasti.

y. Provisi

Provisi diakui ketika Perusahaan dan entitas anak memiliki kewajiban kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu, kemungkinan besar Perusahaan dan entitas anak diharuskan menyelesaikan kewajiban dan estimasi andal mengenai jumlah kewajiban tersebut dapat dibuat.

Jumlah yang diakui sebagai provisi merupakan estimasi terbaik dari pertimbangan yang diperlukan untuk menyelesaikan kewajiban kini pada akhir periode pelaporan, dengan mempertimbangkan risiko dan ketidakpastian yang meliputi kewajibannya. Apabila suatu provisi diukur menggunakan arus kas yang diperkirakan untuk menyelesaikan kewajiban kini, maka nilai tercatatnya adalah nilai kini dari arus kas.

Ketika beberapa atau seluruh manfaat ekonomi untuk penyelesaian provisi yang diharapkan dapat dipulihkan dari pihak ketiga, piutang diakui sebagai aset apabila terdapat kepastian bahwa penggantian akan diterima dan jumlah piutang dapat diukur secara andal.

z. Pajak Penghasilan

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku.

Pajak kini dan pajak tangguhan diakui sebagai beban atau penghasilan dalam laporan laba rugi, kecuali sepanjang pajak penghasilan yang berasal dari transaksi atau kejadian yang diakui, diluar laporan laba rugi (baik dalam pendapatan komprehensif lain maupun secara langsung di ekuitas), dalam hal tersebut pajak juga diakui di luar laporan laba rugi atau yang timbul dari akuntansi awal atau kombinasi bisnis. Dalam kasus kombinasi bisnis, pengaruh pajak termasuk dalam akuntansi kombinasi bisnis.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

x. Pension and Employee Benefits (continued)

Long-term Benefits (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to profit or loss.

The long-term employee benefits obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

y. Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that the Company and its subsidiaries will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

z. Income Tax

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

z. Pajak Penghasilan (lanjutan)

Untuk pendapatan yang menjadi subjek pajak penghasilan final, beban pajak diakui secara proporsional dengan jumlah pendapatan akuntansi yang diakui dan disajikan dalam sebagai bagian dari akun beban operasional pada tahun berjalan dikarenakan pajak tersebut tidak memenuhi kriteria sebagai pajak penghasilan.

Aset dan liabilitas pajak tangguhan diakui atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan konsolidasian dengan dasar pengenaan pajak aset dan liabilitas. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diekspektasikan berlaku dalam periode ketika liabilitas diselesaikan atau aset dipulihkan dengan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Perusahaan dan entitas anak ekspektasikan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

Jumlah tercatat aset pajak tangguhan dikaji ulang pada akhir periode pelaporan dan dikurangi jumlah tercatatnya jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut.

Aset dan liabilitas pajak tangguhan saling hapus ketika entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini dan ketika aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama serta Perusahaan dan entitas anak yang berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

z. Income Tax (continued)

For income which is subject to final tax, tax expenses are recognized proportionally with the accounting revenue recognized and presented as part of the operating expenses account in the current year as such tax does not satisfy the criteria of income tax.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and deferred tax liabilities reflects the consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of the deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and its subsidiaries intend to settle their current tax assets and current tax liabilities on a net basis.

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3. KEBIJAKAN AKUNTANSI (lanjutan)

aa. Aset Donasi dari Pemerintah

Aset donasi dari Pemerintah, dalam kapasitasnya sebagai pemegang saham Perusahaan, diakui sebagai transaksi ekuitas dengan pemegang saham. Aset yang didonasikan tersebut dicatat sesuai dengan nilai transaksi yang telah disepakati dengan Pemerintah. Perusahaan mencatat aset donasi dari Pemerintah sebagai penambahan aset tetap dan peningkatan tambahan modal disetor oleh pemegang saham.

bb. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang diatribusikan kepada pemilik induk dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

Laba per saham dilusian dihitung dengan menyesuaikan jumlah rata-rata tertimbang saham biasa yang beredar dengan dampak dari semua efek berpotensi saham biasa yang dilutif yang dimiliki Perusahaan. Perusahaan tidak memiliki efek berpotensi saham biasa yang dilutif.

cc. Informasi Segmen

Segmen operasi diidentifikasi berdasarkan laporan internal mengenai komponen dari Perusahaan dan entitas anak yang secara reguler ditelaah oleh "pengambil keputusan operasional" dalam rangka mengalokasikan sumber daya dan menilai kinerja segmen operasi.

Segmen operasi adalah suatu komponen dari entitas:

- a) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- b) yang hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- c) dimana tersedia informasi keuangan yang dapat dipisahkan.

Informasi yang digunakan oleh pengambil keputusan operasional dalam rangka alokasi sumber daya dan penilaian kinerja mereka dikategorikan berdasarkan lokasi geografis di mana penjualan dilakukan.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

aa. Government Contributed Assets

Assets contributed by the Government, in their capacity as a shareholder of the Company, are accounted for as an equity transaction with the shareholder. The assets are recorded at the transaction costs agreed with the Government. The Company records the Government contributed asset as an addition to property, plant and equipment with a corresponding increase to additional payment in capital by the shareholder.

bb. Earnings per Share

Basic earnings per share are computed by dividing income for the year attributable to the owners of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares owned by the Company. The Company does not have any dilutive potential ordinary shares.

cc. Segment Information

Operating segments are identified on the basis of internal reports about components of the Company and its subsidiaries, and are regularly reviewed by the "chief operating decision maker" in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

- a) *that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);*
- b) *whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance; and*
- c) *for which discrete financial information is available.*

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of their performance is grouped based on the geographical location of where sales are made.

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**4. PERTIMBANGAN KRITIS AKUNTANSI DAN
ESTIMASI AKUNTANSI YANG SIGNIFIKAN**

Dalam rangka penerapan kebijakan akuntansi Perusahaan dan entitas anak, sebagaimana dijelaskan dalam Catatan 3, manajemen diharuskan untuk membuat pertimbangan, estimasi dan asumsi tentang nilai aset dan liabilitas yang tidak tersedia dari sumber lain. Estimasi dan asumsi berdasarkan pengalaman historis dan faktor lain yang dianggap relevan. Hasil aktual dapat berbeda dari estimasi tersebut.

Estimasi dan asumsi yang mendasari di-review secara berkelanjutan. Revisi terhadap estimasi akuntansi akan diakui pada periode dimana estimasi tersebut direvisi, jika revisi tersebut hanya berpengaruh terhadap periode tersebut, atau pada periode revisi dan periode berikutnya jika revisi tersebut mempengaruhi periode tersebut.

Pertimbangan Kritis dalam Penerapan Kebijakan Akuntansi

Dalam proses penerapan kebijakan akuntansi yang dijelaskan dalam Catatan 3, Perusahaan telah menentukan hal-hal berikut yang memerlukan pertimbangan signifikan:

Nilai Wajar Pembangkit Listrik Di Dalam Sewa Pembiayaan

Atas penerapan ISAK 8 sejumlah perjanjian jual beli tenaga listrik Perusahaan dicatat sebagai sewa pembiayaan. Pada saat dimulainya sewa, Perusahaan mengakui asset dan liabilitas sewa pembiayaan sebesar nilai wajar pembangkit listrik yang disewa atau, jika lebih rendah, nilai kini dari pembayaran sewa minimum, yang ditentukan pada awal masa sewa.

Perusahaan menetapkan nilai wajar dari pembangkit listrik yang disewa dengan menerapkan teknik penilaian yang sesuai dan asumsi-asumsi yang memadai, termasuk estimasi biaya yang perlu dikeluarkan untuk membangun pembangkit listrik terkait, suku bunga implisit dalam sewa dan nilai sisa aset pada masa akhir kontrak. Perubahan-perubahan selanjutnya atas asumsi yang digunakan untuk menentukan nilai wajar pada awal masa sewa tidak akan merubah nilai aset pembiayaan di masa mendatang.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company and its subsidiaries' accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, the Company has identified the following matters under which significant judgments are made:

Fair Value of Power Plants Held Under Finance Leases

As a result of applying ISFAS 8 a number of the Company's PPAs have been accounted for as finance leases. At the commencement of the lease, the Company recognizes the finance leased asset and liability at an amount equal to the fair value of the power plant or, if lower, the present value of the minimum lease payments, determined at the inception of the lease.

The Company determined the fair value of the finance leased power plant by applying the appropriate valuation techniques and assumptions, including, the expected cost to build the power plant, the implicit interest rate of the lease and the residual value of the asset at the end of the contract. Any subsequent changes to the assumptions used to measure fair value at inception do not affect the subsequent measurement amount of the leased asset.

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**4. PERTIMBANGAN KRITIS AKUNTANSI DAN
ESTIMASI AKUNTANSI YANG SIGNIFIKAN**
(lanjutan)

**Pertimbangan Kritis dalam Penerapan Kebijakan
Akuntansi (lanjutan)**

Biaya Penyambungan Pelanggan

Perusahaan dan entitas anak mempertimbangkan semua fakta dan kondisi yang relevan untuk menentukan pengakuan pendapatan terkait biaya penyambungan pelanggan. Untuk itu, Perusahaan perlu menentukan kewajiban yang timbul sehubungan dengan penerimaan biaya penyambungan dari pelanggan.

Perusahaan dan entitas anak mempertimbangkan fakta bahwa kewajiban untuk menyediakan tenaga listrik secara berkelanjutan diatur dalam Undang-Undang Ketenagalistrikan tahun 2009 dan semua pelanggan dikenakan tarif listrik yang telah ditentukan oleh Pemerintah Republik Indonesia untuk penggunaan tenaga listrik (terlepas dari jumlah biaya penyambungan yang dibayarkan). Oleh karena itu, penerimaan biaya penyambungan tidak menimbulkan kewajiban terpisah bagi Perusahaan dan entitas anak untuk menyediakan akses listrik secara berkelanjutan kepada pelanggan.

Perusahaan dan entitas anak menyimpulkan bahwa menghubungkan pelanggan ke jaringan listrik Perusahaan merupakan jasa yang diberikan untuk mendapatkan biaya penyambungan dari pelanggan. Jasa koneksi diserahkan kepada pelanggan dan merepresentasikan nilai yang berdiri sendiri (*stand-alone value*) untuk pelanggan tersebut. Sebagai hasilnya, Perusahaan mencatat biaya penyambungan yang diterima dari pelanggan untuk memperoleh atau membangun aset tetap yang digunakan untuk menghubungkan pelanggan ke jaringan listrik Perusahaan sebagai pendapatan pada saat Perusahaan menyelesaikan kewajiban atas jasa koneksi terkait.

**4. CRITICAL ACCOUNTING JUDGMENTS AND
ESTIMATES (continued)**

***Critical Judgments in Applying Accounting
Policies (continued)***

Revenues from Customers' Connection Fees

The Company and its subsidiaries have considered all relevant facts and circumstances to determine the exact timing of revenue recognition pertaining to connection fees paid by customers. To do so, the Company needs to determine what performance obligations it has as a result of receiving connection fees.

The Company and its subsidiaries considered the fact that the obligation to provide ongoing supply of electricity is regulated by the 2009 Electricity Law and that the Company charges all customers the same regulated tariff for electricity usage prescribed by the Government of Republic of Indonesia (regardless of the amount of connection fees paid by the customers). Therefore, the receipt of connection fees does not create a separate performance obligation for the Company and its subsidiaries to provide ongoing electricity supply to its customers.

The Company and its subsidiaries concludes that connecting the customers to its network is the only service to be delivered in exchange for the connection fees. A service connection is delivered to the customer and represents stand-alone value for that customer. Consequently, the Company recognizes connection fees received from customers that are used to construct or acquire property, plant, and equipment to connect the customers to its network as revenues when the Company completes the connection services.

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**4. PERTIMBANGAN KRITIS AKUNTANSI DAN
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(lanjutan)**

**Pertimbangan Kritis dalam Penerapan Kebijakan
Akuntansi (lanjutan)**

Kepentingan dalam Pengaturan Bersama

Pertimbangan diperlukan untuk menentukan ketika Perusahaan dan entitas anak memiliki pengendalian bersama, yang membutuhkan penilaian mengenai aktivitas yang relevan dan ketika keputusan yang berkaitan dengan aktivitas tersebut membutuhkan persetujuan dengan suara bulat. Perusahaan dan entitas anak menentukan bahwa aktivitas yang relevan untuk pengaturan bersama adalah aktivitas yang berkaitan dengan operasi dan pengambilan keputusan dalam pengaturan tersebut.

Pertimbangan juga diperlukan untuk mengklasifikasikan pengaturan bersama sebagai pengendalian bersama atau ventura bersama. Pengklasifikasian pengaturan tersebut mengharuskan Perusahaan dan entitas anak untuk menilai hak dan kewajiban yang timbul dari pengaturan tersebut. Secara khusus, Perusahaan dan entitas anak mempertimbangkan:

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Perusahaan dan entitas anak juga mempertimbangkan hak dan kewajiban yang timbul dari:
 - Bentuk legal dari kendaraan terpisah
 - Persyaratan dari perjanjian kontraktual
 - Fakta dan kondisi lain (ketika relevan)

Penilaian ini sering membutuhkan pertimbangan yang signifikan, dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Perusahaan dan entitas anak memiliki pengaturan bersama yang terstruktur melalui ventura bersama, yaitu PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekindaya Mamuju, PT Unelec Indonesia, dan PT Crompton Power Switchgear Indonesia. Struktur dan persyaratan dari perjanjian kontraktual mengindikasikan bahwa Perusahaan dan entitas anak memiliki hak atas aset bersih dari pengaturan bersama tersebut. Perusahaan dan entitas anak menilai fakta dan kondisi lain yang berkaitan dengan pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama. Lihat Catatan 8 untuk informasi lebih lanjut.

**4. CRITICAL ACCOUNTING JUDGMENTS AND
ESTIMATES (continued)**

**Critical Judgments in Applying Accounting
Policies (continued)**

Joint Arrangements

Judgment is required to determine when the Company and its subsidiaries' have joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company and its subsidiaries' have determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement.

Judgment is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Company and its subsidiaries to assess its rights and obligations arising from the arrangement. Specifically, it considers:

- *The structure of the joint arrangement - whether it is structured through a separate vehicle*
- *When the arrangement is structured through a separate vehicle, the Company and its subsidiaries' also considers the rights and obligations arising from:*
 - *The legal form of the separate vehicle*
 - *The terms of the contractual arrangement*
 - *Other facts and circumstances (when relevant)*

This assessment often requires significant judgment, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

The Company and its subsidiaries have joint arrangements which are structured through joint ventures, namely PT Rajamandala Electric Power, PT Perta Daya Gas, PT Bajradaya Sentranusa, PT Komipo Pembangkitan Jawa Bali, PT Bukit Pembangkit Innovative, PT Rekindaya Mamuju, PT Unelec Indonesia, and PT Crompton Power Switchgear Indonesia. These structure and the terms of the contractual arrangement indicate that the Company and its subsidiaries have rights to the net assets of the arrangements. The Company and its subsidiaries also assessed the other facts and circumstances relating to these arrangements and the final conclusions were that these arrangements are joint ventures. Refer to Note 8 for more information.

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**4. PERTIMBANGAN KRITIS AKUNTANSI DAN
ESTIMASI AKUNTANSI YANG SIGNIFIKAN**
(lanjutan)

Sumber Estimasi Ketidakpastian

Asumsi utama mengenai masa depan dan sumber estimasi lainnya pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan dibawah ini:

Rugi Penurunan Nilai Pinjaman Diberikan dan Piutang

Perusahaan dan entitas anak menilai penurunan nilai pinjaman diberikan dan piutang pada setiap tanggal pelaporan. Dalam menentukan apakah rugi penurunan nilai harus dicatat dalam laba rugi, manajemen membuat penilaian, apakah terdapat bukti objektif bahwa kerugian telah terjadi. Manajemen juga membuat penilaian atas metodologi dan asumsi untuk memperkirakan jumlah dan waktu arus kas masa depan yang di-review secara berkala untuk mengurangi perbedaan antara estimasi kerugian dan kerugian aktualnya. Nilai tercatat pinjaman diberikan dan piutang diungkapkan dalam Catatan 14 dan 16.

Taksiran Masa Manfaat Ekonomis Aset Tetap dan Properti Investasi

Nilai tercatat aset tetap dan properti investasi diungkapkan dalam Catatan 6 dan 7.

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan nilai tercatat aset tetap.

Nilai Wajar Aset Tetap dan Properti Investasi yang Menggunakan Model Revaluasi

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi dari model biaya menjadi model revaluasi untuk kelas aset tertentu. Pelaksanaan revaluasi aset tetap tersebut dilakukan oleh penilai publik independen.

Dalam proses penilaian, manajemen, dengan bantuan penilai publik independen, menentukan data dan asumsi, menelaah metode penilaian serta berdiskusi dengan penilai. Pendekatan dan metode yang digunakan dalam melakukan revaluasi tergantung pada kelas aset. Walaupun data dan asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada data input atau asumsi yang digunakan dapat berpengaruh secara signifikan terhadap nilai aset yang menggunakan model revaluasi.

Rincian dari pendekatan dan data input signifikan yang digunakan dalam melakukan revaluasi aset tetap dan properti investasi diungkapkan dalam Catatan 6 dan 7.

**4. CRITICAL ACCOUNTING JUDGMENTS AND
ESTIMATES** (continued)

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment Loss on Loans and Receivables

The Company and its subsidiaries assess their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes a judgment as to whether there is objective evidence that the loss event has occurred. Management also makes judgments as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Notes 14 and 16.

Estimated Useful Lives of Property, Plant and Equipment and Investment Properties

The carrying amounts of property, plant and equipment and investment properties are disclosed in Notes 6 and 7.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and the carrying values of property, plant and equipment.

Fair Value of Property, Plant and Equipment and Investment Properties that Use the Revaluation Model

As at December 31, 2015, the Company and its subsidiaries changed their accounting policy from a cost model to revaluation model for certain classes of assets. The assets revaluation was performed by an independent public valuer.

Management, with the assistance of an independent public valuer, determines the data inputs and assumption, assesses the valuation method and holds discussions with the valuers as part of the valuation process. The approaches and methods used in the revaluation depend on the group of assets. While it is believed that the Company and its subsidiaries' data and assumptions are reasonable and appropriate, significant changes in data inputs or significant changes in assumptions may materially affect the value of assets that use the revaluation model.

The detail of the valuation approach and significant data input used in the revaluation Property, Plant and Equipment and Investment Properties are disclosed in Notes 6 and 7, respectively.

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**4. PERTIMBANGAN KRITIS AKUNTANSI DAN
ESTIMASI AKUNTANSI YANG SIGNIFIKAN**
(lanjutan)

Sumber Estimasi Ketidakpastian (lanjutan)

Imbalan Pascakerja

Penentuan liabilitas imbalan pascakerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan dan entitas anak diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui di masa mendatang. Walaupun asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pascakerja Perusahaan dan entitas anak.

Asumsi yang digunakan untuk perhitungan liabilitas imbalan pascakerja diungkapkan dalam Catatan 49.

Pajak Penghasilan

Perhitungan beban pajak penghasilan Perusahaan memerlukan pertimbangan dan asumsi dalam menentukan pengurangan beban tertentu selama proses pengestimasian. Semua pertimbangan dan estimasi yang dibuat manajemen dapat dipertanyakan oleh Direktorat Jenderal Pajak. Sebagai akibatnya, terjadi ketidakpastian dalam penentuan pajak. Resolusi posisi pajak yang diambil oleh Perusahaan, melalui negosiasi dengan otoritas pajak yang relevan dapat berlangsung bertahun-tahun dan sangat sulit untuk memprediksi hasil akhirnya. Apabila terdapat perbedaan perhitungan pajak dengan jumlah yang telah dicatat, perbedaan tersebut akan berdampak pada pajak penghasilan dan pajak tangguhan dalam tahun dimana penentuan pajak tersebut dibuat.

Aset pajak tangguhan, termasuk yang timbul dari rugi fiskal dan perbedaan temporer, diakui apabila dianggap lebih mungkin daripada tidak bahwa mereka dapat diterima kembali, dimana hal ini tergantung pada kecukupan pembentukan laba kena pajak di masa depan. Asumsi atas pembentukan laba kena pajak sangat dipengaruhi oleh estimasi dan asumsi manajemen atas tingkat penjualan dan biaya-biaya terkait yang terdapat risiko ketidakpastian, sehingga ada kemungkinan perubahan estimasi dan asumsi tersebut akan mengubah proyeksi laba kena pajak di masa mendatang.

**4. CRITICAL ACCOUNTING JUDGMENTS AND
ESTIMATES (continued)**

**Key Sources of Estimation Uncertainty
(continued)**

Post-employment Benefits

The determination of the post-employment benefits obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company and its subsidiaries' assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While it is believed that the Company and its subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company and its subsidiaries' post-employment benefit obligations.

Assumptions used in the calculation of post-employment benefit obligations are disclosed in Note 49.

Income Taxes

The calculations of income tax expense for the Company require judgments and assumptions in determining the deductibility of certain expenses during the estimation process. All judgment and estimates made by management may be challenged by the Directorate General of Taxation. As a result, the ultimate tax determination becomes uncertain. The resolution of tax positions taken by the Company, through negotiations with the relevant tax authorities can take several years to complete and in some cases it is difficult to predict the ultimate outcome. Where the final outcome of these matters is different from the amounts initially recorded, such differences will have an impact on the income tax and deferred income tax provision in the year in which this determination is made.

Deferred tax assets, including those arising from tax losses carried forward and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. The assumptions about the generation of future taxable profits are heavily affected by management's estimates of the expected sales level and the associated costs which are subject to risk and uncertainty, and hence there is a possibility that changes in circumstances will alter the projected future taxable profits.

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5. ENTITAS ANAK

Perusahaan memiliki saham entitas anak baik langsung maupun tidak langsung sebagai berikut:

5. SUBSIDIARIES

The Company has ownership interests, directly or indirectly, in the following subsidiaries:

Entitas anak/Subsidiaries	Tempat kedudukan/ Domicile	Jenis usaha/ Nature of business	Persentase kepemilikan/ Percentage of ownership		Tahun Operasi komersial/ Year of Operation	Jumlah aset/ Total assets **)	
			2015 %	2014 %		2015	2014
PT Indonesia Power (IP) dan entitas anak/ and its subsidiaries	Jakarta	Pembangkitan tenaga listrik/ Power generation	99,99	99,99	1995	226.487	53.248
PT Cogindo Daya Bersama (CDB) *)	Jakarta	Cogeneration, pemasok energi, jasa pelayanan dan manajemen/ Cogeneration, energy distribution, energy service and management	99,99	99,99	1999	797	790
PT Artha Daya Coalindo (ADC) *)	Jakarta	Perdagangan batubara/Coal trading	60,00	60,00	1999	116	87
PT Indo Ridlatama Power (IRP) *)	Kutai	Pembangkitan tenaga listrik/ Power generation	86,00	86,00	***)	221	160
PT Tangkuban Parahu Geothermal Power (TPGP) *)	Jakarta	Pengembangan energi panas bumi dan pembangkit tenaga listrik/ Development of geothermal energy and electricity supplies	95,21	95,21	****)	80	82
PT Putra Indotena *)	Jakarta	Ketenagalistrikan dan Energi/ Electricity and Energy	99,90	99,90	***)	261	231
PT Pembangkitan Jawa-Bali (PJB) dan entitas anak/ and its subsidiaries	Surabaya	Pembangkitan tenaga listrik/ Power generation	99,99	99,99	1995	195.546	41.057
PT PJB Services (PJBS) *) dan entitas anak/ and its subsidiaries	Surabaya	Jasa/Service	98,00	98,00	2001	680	488
PT Mitra Karya Prima (MKP) *)	Surabaya	Jasa/Service	92,00	92,00	2013	48	30
PT Sertifikasi Kompetensi Pembangkit Tenaga Listrik	Jakarta	Jasa/Service	95,00	-	2015	1	-
PT Rekadaya Elekrika (RDE) *) dan entitas anak/ and its subsidiary	Jakarta	Jasa listrik dan enjiniring/ Electricity and engineering	98,68	98,68	2004	552	482
PT Rekadaya Elekrika Consult *)	Jakarta	Supervisi dan Konsultasi/ Supervision and consultation	99,80	99,80	2011	70	45
PT Navigat Innovative Indonesia (NII) *)	Palembang	Perdagangan, konstruksi, pertambangan dan pertanian/ Trading, construction, mining and agriculture	72,97	72,97	***)	206	150
PT PJB Investasi	Jakarta	Pembangkitan tenaga listrik/ Power generation	99,99	99,99	***)	-	-
PT Pelayanan Listrik Nasional Batam (PLN Batam) dan entitas anak/ and its subsidiary	Batam	Penyedia tenaga listrik/ Electricity supplier	99,99	99,99	2000	8.084	5.700
PT Pelayanan Energi Batam	Batam	Pembangunan pipa gas dan energi lainnya/ Construction of gas pipeline and other energy sector	99,99	99,99	***)	9	7
PT Indonesia Comnets Plus (ICON)	Jakarta	Jasa penyedia jaringan telekomunikasi/ Telecommunication provider	99,99	99,99	2000	2.068	2.035
PT Prima Layanan Nasional Enjiniring (PLNE)	Jakarta	Jasa enjiniring, pengadaan dan konstruksi/ Engineering, procurement and construction	99,90	99,90	2003	521	425
PT Pelayanan Listrik Nasional Tarakan (PLN Tarakan)	Tarakan	Penyedia tenaga listrik/ Electricity supplier	99,97	99,97	2004	279	217
Majapahit Holding B.V. (MH) dan entitas anak/ and its subsidiary	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100,00	100,00	2006	52.169	46.213
Majapahit Finance B.V. (MF) *)	Belanda/ The Netherlands	Lembaga keuangan/ Finance	100,00	100,00	2006	39.277	35.149
PT PLN Batubara (PLN Batubara)	Jakarta	Perdagangan batubara/Coal trading	99,99	99,99	2009	1.328	1.398
PT Pengembang Listrik Nasional Geothermal (PLN Geothermal)	Jakarta	Pembangkitan tenaga listrik/ Power generation	99,99	99,99	2010	91	83
PT Pelayanan Bahtera Adhiguna (BAG) dan entitas anak/ and its subsidiary	Jakarta	Pelayaran/Shipping	100,00	100,00	2011	1.243	1.388
PT PBM Adhiguna Putera	Jakarta	Pelayaran/Shipping	99,95	99,95	1987	136	114
PT Haleyora Power (HP) dan entitas anak/ and its subsidiary	Jakarta	Jasa/Service	99,99	99,99	2013	444	364
PT Haleyora Powerindo (HPI) *)	Jakarta	Jasa/Service	90,00	90,00	2013	267	173

*) Pemilikan tidak langsung/Indirect ownership
**) Dalam miliaran Rupiah/Stated in billions of Rupiah
***) Dalam tahap pengembangan/in development stage
****) Dalam tahap eksplorasi/in exploration stage

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6. ASET TETAP

6. PROPERTY, PLANT, AND EQUIPMENT

	1 Januari/ January 1, 2015	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih penilaian kembali/ Increase arising on revaluation	31 Desember/ December 31, 2015	
Biaya perolehan							At cost
Pemilikan langsung							Direct acquisitions
Tanah	9.274.191	49.194	-	84.746	110.161.252	119.569.383	Land rights
Bangunan umum, waduk dan prasarana	59.756.531	59.305	-	1.875.599	(12.235.006)	49.456.429	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	186.223.996	731.356	-	11.127.031	374.052.068	572.134.451	Installation and power plant
Perengkapan transmisi	79.439.651	86.912	-	3.960.256	3.215.010	86.701.829	Transmission equipment
Perengkapan distribusi	117.243.483	2.374.366	-	8.566.445	13.262.190	141.446.484	Distribution equipment
Perengkapan umum	9.204.288	185.380	-	459.279	-	9.848.947	General equipment
Kendaraan bermotor	1.035.574	47.222	-	(241.673)	-	841.123	Motor vehicles
Material cadangan utama	1.021.881	203.398	-	(401.408)	(156.817)	667.054	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	4.652.495	31.401	-	219.730	(2.300.536)	2.603.090	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	1.646.287	183	-	-	-	1.646.470	Other telecommunication and data processing equipment
Kapal dan perlengkapan	774.041	276.000	-	363.675	-	1.413.716	Vessels and equipment
Sub jumlah	470.272.418	4.044.717	-	26.013.680	485.998.161	986.328.976	Sub total
Aset sewaan							Leased assets
Tanah	48.388	-	-	-	-	48.388	Land rights
Instalasi dan mesin pembangkit	128.653.831	15.095.268	-	683.031	-	144.432.130	Installation and power plant
Sub jumlah	128.702.219	15.095.268	-	683.031	-	144.480.518	Sub total
Pekerjaan dalam pelaksanaan	94.901.088	40.196.223	-	(30.112.624)	-	104.984.687	Construction in progress
Aset tidak digunakan dalam operasi	6.672.832	-	(264.293)	1.646.701	-	8.055.240	Assets not used in operation
Jumlah	700.548.557	59.336.208	(264.293)	(1.769.212)	485.998.161	1.243.849.421	Total
Akumulasi penyusutan							Accumulated depreciation
Pemilikan langsung							Direct acquisitions
Bangunan umum, waduk dan prasarana	15.414.049	2.316.878	-	(70.172)	(17.660.755)	-	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	69.220.246	8.978.948	-	(1.683.450)	(76.515.744)	-	Installation and power plant
Perengkapan transmisi	23.413.707	2.509.592	-	(83.755)	(25.839.544)	-	Transmission equipment
Perengkapan distribusi	38.955.832	4.361.659	-	(16.839)	(43.300.652)	-	Distribution equipment
Perengkapan umum	6.353.068	1.107.305	-	(26.820)	-	7.433.553	General equipment
Kendaraan bermotor	749.812	103.446	-	(93.745)	-	759.513	Motor vehicles
Material cadangan utama	223.390	47.074	-	(15.588)	(254.876)	-	Major spare parts
Perengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2.701.740	315.601	-	86.305	(3.103.646)	-	Telecommunication and data processing equipment used for electricity supply
Perengkapan pengolahan data dan telekomunikasi lainnya	914.070	199.152	-	(69.454)	-	1.043.768	Other telecommunication and data processing equipment
Kapal dan perlengkapan	121.712	83.129	-	83.103	-	287.944	Vessels and equipment
Sub jumlah	158.067.626	20.022.784	-	(1.890.415)	(166.675.217)	9.524.778	Sub total
Aset sewaan							Leased assets
Instalasi dan mesin pembangkit	34.996.639	5.392.643	-	(860.095)	-	39.529.187	Installation and power plant
Aset tidak digunakan dalam operasi	5.778.017	497.835	(142.921)	782.935	-	6.915.866	Assets not used in operation
Jumlah	198.842.282	25.913.262	(142.921)	(1.967.575)	(166.675.217)	55.969.831	Total
Jumlah Tercatat	501.706.275					1.187.879.590	Net Carrying Value

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6. ASET TETAP (lanjutan)

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

	1 Januari/ January 1, 2014	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	31 Desember/ December 31, 2014	
Biaya perolehan						At cost
Pemilikan langsung						Direct acquisitions
Tanah	9.226.100	192.089	(143.998)	-	9.274.191	Land rights
Bangunan umum, waduk dan prasarana	55.723.604	123.021	(304.156)	4.214.062	59.756.531	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	172.954.951	158.897	(1.156.761)	14.266.909	186.223.996	Installation and power plant
Perlengkapan transmisi	75.541.561	308.507	(209.494)	3.799.077	79.439.651	Transmission equipment
Perlengkapan distribusi	107.057.415	2.580.655	(329.421)	7.934.834	117.243.483	Distribution equipment
Perlengkapan umum	8.951.235	171.826	(421.774)	503.001	9.204.288	General equipment
Kendaraan bermotor	925.567	63.938	(13.983)	60.052	1.035.574	Motor vehicles
Material cadangan utama	948.893	467.356	(394.368)	-	1.021.881	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	4.049.251	38.238	(28.846)	593.852	4.652.495	Telecommunication and data processing equipment used for electricity supply
Perlengkapan pengolahan data dan telekomunikasi lainnya	1.493.039	79	(5.502)	158.671	1.646.287	Other telecommunication and data processing equipment
Kapal dan perlengkapan	731.828	39.328	(1.734)	4.619	774.041	Vessels and equipment
Sub jumlah	<u>437.603.444</u>	<u>4.143.934</u>	<u>(3.010.037)</u>	<u>31.535.077</u>	<u>470.272.418</u>	Sub total
Aset sewaan						Leased assets
Tanah	48.388	-	-	-	48.388	Land rights
Instalasi dan mesin pembangkit	124.333.867	4.493.328	-	(173.364)	128.653.831	Installation and power plant
Sub jumlah	<u>124.382.255</u>	<u>4.493.328</u>	<u>-</u>	<u>(173.364)</u>	<u>128.702.219</u>	Sub total
Pekerjaan dalam pelaksanaan Aset tidak digunakan dalam operasi	95.738.735	33.313.805	(504.600)	(33.646.852)	94.901.088	Construction in progress Assets not used in operation
	<u>6.054.271</u>	<u>-</u>	<u>(524.733)</u>	<u>1.143.294</u>	<u>6.672.832</u>	
Jumlah	<u>663.778.705</u>	<u>41.951.067</u>	<u>(4.039.370)</u>	<u>(1.141.845)</u>	<u>700.548.557</u>	Total
Akumulasi penyusutan						Accumulated depreciation
Pemilikan langsung						Direct acquisitions
Bangunan umum, waduk dan prasarana	13.194.770	2.015.967	(83.244)	286.556	15.414.049	Buildings, reservoir and infrastructure
Instalasi dan mesin pembangkit	60.231.054	10.024.315	(1.035.123)	-	69.220.246	Installation and power plant
Perlengkapan transmisi	21.070.692	2.448.377	(105.362)	-	23.413.707	Transmission equipment
Perlengkapan distribusi	35.116.579	4.032.179	(215.832)	22.906	38.955.832	Distribution equipment
Perlengkapan umum	5.541.615	1.031.578	(248.774)	28.649	6.353.068	General equipment
Kendaraan bermotor	677.163	88.453	(15.804)	-	749.812	Motor vehicles
Material cadangan utama	197.008	47.085	(20.703)	-	223.390	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2.362.448	261.966	(24.898)	102.224	2.701.740	Telecommunication and data processing equipment used for electricity supply
Perlengkapan pengolahan data dan telekomunikasi lainnya	719.762	199.810	(5.502)	-	914.070	Other telecommunication and data processing equipment
Kapal dan perlengkapan	75.655	43.599	(1.734)	4.192	121.712	Vessels and equipment
Sub jumlah	<u>139.186.746</u>	<u>20.193.329</u>	<u>(1.756.976)</u>	<u>444.527</u>	<u>158.067.626</u>	Sub total
Aset sewaan						Leased assets
Instalasi dan mesin pembangkit	31.462.499	3.534.140	-	-	34.996.639	Installation and power plant
Aset tidak digunakan dalam operasi	<u>5.026.882</u>	<u>454.586</u>	<u>(483.474)</u>	<u>780.023</u>	<u>5.778.017</u>	Assets not used in operation
Jumlah	<u>175.676.127</u>	<u>24.182.055</u>	<u>(2.240.450)</u>	<u>1.224.550</u>	<u>198.842.282</u>	Total
Jumlah Tercatat	<u>488.102.578</u>				<u>501.706.275</u>	Net Carrying Value

Beban penyusutan dialokasikan sebagai berikut:

Depreciation expense was allocated to the following:

	2015	2014	
Beban usaha	25.406.856	23.618.262	Operating expenses
Pekerjaan dalam pelaksanaan	8.571	109.206	Construction in progress
Beban lain-lain	497.835	454.587	Others charges
Jumlah	<u>25.913.262</u>	<u>24.182.055</u>	Total

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6. ASET TETAP (lanjutan)

Perusahaan dan entitas anak memiliki beberapa bidang tanah dengan hak legal berupa Hak Pakai dan Hak Guna Bangunan ("HGB"). Hak Pakai tidak mempunyai jangka waktu. HGB Perusahaan jatuh tempo antara tahun 2016 sampai dengan 2045, tetapi dapat diperpanjang. Perusahaan dan entitas anak juga mempunyai beberapa bidang tanah yang sedang dalam proses perpanjangan HGB dan pengurusan balik nama menjadi atas nama Perusahaan dan entitas anak.

Bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi serta kapal dengan jumlah tercatat sebesar Rp 229.544.337 juta diasuransikan kepada beberapa perusahaan asuransi dengan, PT Asuransi Jasa Indonesia pihak berelasi, sebagai penanggung utama, PT Tugu Kresna Pratama dan PT Asuransi Ramayana terhadap risiko kebakaran dan kemungkinan risiko lainnya dengan jumlah pertanggungan sebesar US\$ 17.141 juta (setara dengan Rp 236.453.639 juta) dan Rp 993.997 juta pada tanggal 31 Desember 2015 dan US\$ 21.274 juta (setara dengan Rp 246.648.560 juta) dan Rp 989.328 juta pada tanggal 31 Desember 2014. Aset sewaan PLTU Tanjung Jati B 4 x 660 MW diasuransikan kepada PT Asuransi Mitsui Sumitomo Indonesia terhadap risiko kebakaran dan risiko lainnya dengan jumlah pertanggungan masing-masing sebesar JPY 361.172 juta (setara dengan Rp 41.362.961 juta) pada tanggal 31 Desember 2015 dan JPY 363.895 juta (setara dengan Rp 37.935.617 juta) pada tanggal 31 Desember 2014. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungkan. Perusahaan dan entitas anak tidak mengasuransikan aset tetap selain bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi, serta kapal dan perlengkapan.

Aset sewaan - instalasi dan mesin pembangkit merupakan pembangkit tenaga listrik berdasarkan perjanjian sewa dengan IPP dalam bentuk sewa pembiayaan sesuai dengan penerapan ISAK 8 serta PLTU Tanjung Jati B 4 x 660 MW.

Pada tanggal 31 Desember 2015 setelah revaluasi, jumlah tercatat bruto dari aset tetap tersebut yang telah disusutkan penuh dan masih digunakan sebesar Rp 1.764.403 juta.

Manajemen berpendapat bahwa tidak terdapat kejadian atau perubahan keadaan yang mengindikasikan penurunan nilai aset tetap pada tanggal pelaporan.

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

The Company and its subsidiaries own several pieces of land with Rights to Use and Building Use Rights ("HGB"). Rights to Use have no expiration date. HGB will expire from 2016 to 2045, but they are renewable by the Company. The Company and its subsidiaries also have several pieces of land rights, which are still in an extension process and in the process of transfer of certificate to the name of the Company and its subsidiaries.

Building, installation and power plant, transmission equipment and vessels with net carrying value of Rp 229,544,337 million were insured with several insurance companies, with PT Asuransi Jasa Indonesia, a related party, acting as the lead underwriter, PT Tugu Kresna Pratama and PT Asuransi Ramayana insuring against fire and other possible risks with insurance coverage of US\$ 17,141 million (equivalent to Rp 236,453,639 million) and Rp 993,997 million as of December 31, 2015 and US\$ 21,274 million (equivalent to Rp 246,648,560 million) and Rp 989,328 million as of December 31, 2014. Leased assets PLTU Tanjung Jati B 4 x 660 MW were insured to PT Asuransi Mitsui Sumitomo Indonesia against fire and other possible risks with insurance coverage of JPY 361,172 million (equivalent to Rp 41,362,961 million) as of December 31, 2015 and JPY 363,895 million (equivalent to Rp 37,935,617 million) as of December 31, 2014. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured. The Company and its subsidiaries do not cover insurance protection for assets other than building, installation and power plant, transmission equipment, and vessels and equipment.

Leased assets - installation and power plant represents certain power plants under lease agreement with IPPs which were accounted for as finance leases in accordance with ISFAS 8 and the PLTU Tanjung Jati B 4 x 660 MW power plant.

As of December 31, 2015 after revaluation, the gross carrying amount of property, plant and equipment that have been fully depreciated and still in use amounted to Rp 1,764,403 million.

Management believes that there are no events or changes in circumstances which may indicate impairment of property, plant and equipment as of the reporting date.

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6. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi atas kelas aset tertentu dari sebelumnya menggunakan model biaya menjadi model revaluasi.

Pelaksanaan revaluasi aset tetap untuk PT PLN (Persero) dilaksanakan berdasarkan tender yang dimenangkan oleh Kantor Jasa Penilai Publik Rengganis, Hamid & Rekan ("KJPP RHR") yang selanjutnya melaksanakan penilaian. KJPP RHR adalah Penilai Publik Independen yang telah terdaftar di Kementerian Keuangan dengan No. 2.09.0012 dan Otoritas Jasa Keuangan ("OJK").

Adapun Standar Penilaian yang digunakan adalah Standar Penilaian Indonesia edisi VI - 2015, dengan menggunakan pendekatan penilaian berikut ini:

1. Pendekatan Pasar

Pendekatan ini mempertimbangkan penjualan dari aset sejenis atau pengganti dan data pasar yang terkait, serta menghasilkan estimasi nilai melalui proses perbandingan. Pada dasarnya, properti yang dinilai (obyek penilaian) dibandingkan dengan properti yang sebanding, baik dari transaksi yang telah terjadi maupun properti yang masih dalam tahap penawaran penjualan dari suatu proses jual beli.

Pendekatan pasar digunakan untuk kelas aset tanah.

2. Pendekatan Pendapatan

Pendekatan ini mempertimbangkan pendapatan dan biaya yang berhubungan dengan aset yang dinilai dan mengestimasi nilai melalui proses kapitalisasi. Kapitalisasi menghubungkan pendapatan (umumnya pendapatan bersih) dengan suatu definisi jenis nilai melalui konversi pendapatan menjadi estimasi nilai. Proses ini dapat menggunakan metode kapitalisasi langsung atau metode arus kas terdiskonto, atau keduanya.

Pendekatan pendapatan digunakan untuk kelas aset tanah dengan peruntukan komersial atau tanah dengan skala pengembangan.

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

On December 31, 2015, the Company and its subsidiaries changed their accounting policy for certain classes of assets from the cost model to the revaluation model.

The revaluation of PT PLN (Persero) is conducted based on tender process where Kantor Jasa Penilai Publik Rengganis, Hamid & Partners ("KJPP RHR") was selected as the winner. KJPP RHR is an Independent Public Valuer registered in The Ministry of Finance No. 2.09.0012 and Financial Services Authority ("OJK").

The valuation standard that has been used is Indonesian Valuation Standards edition VI - 2015, which used the following valuation approaches:

1. Market Approach

This approach considers the sales of similar assets or replacement assets and related market information, which provides value estimation by a comparison process. Basically, the properties being valued (valuation object) are compared to other similar properties that either have been transacted or offered for sale in a sales transaction.

The market approach can be applied to land rights asset class.

2. Income Approach

This approach considers the income and costs related to the subject assets and estimates value through a capitalization process. Capitalization involves the conversion of income (usually net income) into an indication of value. This process uses the direct capitalization method or the discounted cash flow method or both.

The income approach can be applied to commercial land rights or land rights with development scale.

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6. ASET TETAP (lanjutan)

3. Pendekatan Biaya

Pendekatan ini berdasarkan prinsip bahwa harga dimana pembeli di pasar akan membayar atas aset yang sedang dinilai tidak akan lebih dari biaya untuk membeli atau mengkonstruksi sebuah aset modern yang ekuivalen, tanpa mempertimbangkan biaya akibat penundaan waktu dan biaya keterlambatan. Untuk aset yang tidak baru, pendekatan biaya memperhitungkan estimasi depresiasi termasuk penyusutan fisik dan keusangan lainnya (fungsional dan eksternal). Biaya konstruksi dan depresiasi ditentukan oleh hasil analisis dari perkiraan biaya konstruksi dan depresiasi sesuai dengan kelaziman yang ada di pasar atau dalam praktek penilaian.

Pendekatan biaya digunakan untuk kelas aset bangunan umum, waduk dan prasarana, instalasi dan mesin pembangkit, perlengkapan transmisi, perlengkapan distribusi, material cadangan utama, perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik.

Informasi mengenai penilaian kembali aset tetap pada tanggal 31 Desember 2015 untuk Kelompok Aset yang Direvaluasi adalah sebagai berikut:

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

3. Cost Approach

This approach is based on the principle that the price that a buyer in the market would pay for the asset being valued would be not more than the cost to purchase or construct a modern equivalent asset, without taking into consideration undue time, and overtime charges. For assets which are not new, the cost approach includes depreciation estimation including physical depreciation and other obsolescence (functional and external). Construction cost and depreciation should be determined from analysis of the construction cost and estimation of depreciation according to the prevalence in the market or in valuation practice.

The cost approach is applied to asset classes such as buildings, reservoir and infrastructure, installation and power plants, transmission equipment, distribution equipment, major spare parts, and telecommunications and data processing equipment used for electricity supply.

Information on the revaluation of assets as at December 31, 2015 for Class of Revalued Assets is as follows:

	Jumlah tercatat sebelum revaluasi/ <i>Net carrying value before revaluation</i> 31 Desember/ December 31, 2015	Surplus (Rugi) Revaluasi/ Profit (loss) Revaluation	Nilai Wajar/ Fair Value 31 Desember/ December 31, 2015	
Nilai revaluasi				<i>Revalued amount</i>
Pemilikan langsung				<i>Direct acquisitions</i>
Tanah	9.408.131	110.161.252	119.569.383	<i>Land rights</i>
Bangunan umum, waduk dan prasarana	61.691.435	(12.235.006)	49.456.429	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	198.082.383	374.052.068	572.134.451	<i>Installation and power plant</i>
Perlengkapan transmisi	83.486.819	3.215.010	86.701.829	<i>Transmission equipment</i>
Perlengkapan distribusi	128.184.294	13.262.190	141.446.484	<i>Distribution equipment</i>
Material cadangan utama	823.871	(156.817)	667.054	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	4.903.626	(2.300.536)	2.603.090	<i>Telecommunication and data processing equipments used for electricity supply</i>
Sub jumlah	<u>486.580.559</u>	<u>485.998.161</u>	<u>972.578.720</u>	<i>Sub total</i>
Akumulasi penyusutan				<i>Accumulated depreciation</i>
Pemilikan langsung				<i>Direct acquisitions</i>
Bangunan umum, waduk dan prasarana	(17.660.755)	17.660.755	-	<i>Buildings, reservoir and infrastructure</i>
Instalasi dan mesin pembangkit	(76.515.744)	76.515.744	-	<i>Installation and power plant</i>
Perlengkapan transmisi	(25.839.544)	25.839.544	-	<i>Transmission equipment</i>
Perlengkapan distribusi	(43.300.652)	43.300.652	-	<i>Distribution equipment</i>
Material cadangan utama	(254.876)	254.876	-	<i>Major spare parts</i>
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	(3.103.646)	3.103.646	-	<i>Telecommunication and data processing equipments used for electricity supply</i>
Sub jumlah	<u>(166.675.217)</u>	<u>166.675.217</u>	<u>-</u>	<i>Sub total</i>
Jumlah Tercatat	<u>319.905.342</u>	<u>652.673.378</u>	<u>972.578.720</u>	<i>Net Carrying Value</i>

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6. ASET TETAP (lanjutan)

Secara total kenaikan nilai tercatat yang timbul dari revaluasi Kelompok Aset yang Direvaluasi dicatat sebagai "Cadangan Revaluasi Aset" adalah sebesar Rp 652.673.378 juta.

Surplus revaluasi, dikurangi dengan pajak penghasilan final dan penghasilan pajak tangguhan yang terkait, telah dikreditkan pada pendapatan komprehensif lainnya dan disajikan sebagai "Cadangan Revaluasi Aset" pada laba komprehensif lainnya.

Tabel di bawah ini menganalisis aset non-keuangan yang dicatat pada Nilai Wajar berdasarkan Hirarki Nilai Wajar sesuai dengan PSAK 68. Perbedaan tingkatan Nilai Wajar dijelaskan sebagai berikut:

- Harga kutipan (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik (Tingkat 1);
- Data masukan selain dari harga kutipan yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau secara tidak langsung (Tingkat 2);
- Data masukan untuk aset atau liabilitas yang tidak didasarkan pada data pasar yang dapat diobservasi baik secara langsung maupun tidak langsung (Tingkat 3).

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

In total, the increase in the carrying amounts of the Class of Revalued Assets is recorded as "Asset Revaluation Reserve" amounting to Rp 652,673,378 million.

The revaluation surplus, net of final income tax and applicable deferred income taxes, was credited to other comprehensive income and is presented in "Asset Revaluation Reserve" in other comprehensive income.

The table below analyses non-financial assets recorded at Fair Value, based on Fair Value Hierarchy in SFAS 68. The different levels of Fair Value are defined as follows:

- *Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);*
- *Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);*
- *Inputs for the asset or liability that are not based on observable market data, either directly or indirectly (Level 3).*

**Tingkat pengukuran nilai wajar 31 Desember 2015 menggunakan/
Level fair value measurement at 31 December 2015 using**

	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Jumlah/ Total	
Pengukuran nilai wajar berulang					Recurring fair value measurement
Tanah	-	48.169.865	71.399.518	119.569.383	Land rights
Bangunan umum, waduk dan prasarana	-	9.618.342	39.838.087	49.456.429	Building, reservoir and infrastructure
Instalasi dan mesin pembangkit	-	-	572.134.451	572.134.451	Installation and power plants
Perlengkapan transmisi	-	-	86.701.829	86.701.829	Transmission equipment
Perlengkapan distribusi	-	-	141.446.484	141.446.484	Distribution equipment
Material cadangan utama	-	-	667.054	667.054	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	-	-	2.603.090	2.603.090	Telecommunication and data processing equipment used for electricity supply
Jumlah	-	<u>57.788.207</u>	<u>914.790.513</u>	<u>972.578.720</u>	Total

Tidak terdapat aset tetap yang bisa digolongkan ke dalam Nilai Wajar tingkat 1.

Nilai Wajar tingkat 2 dari tanah dihitung dengan menggunakan pendekatan pasar dan pendekatan pendapatan, sedangkan untuk bangunan menggunakan pendekatan biaya. Data masukan yang digunakan diperoleh dari pasar yaitu antara lain:

- a. Harga jual atau harga sewa per meter persegi
- b. Tingkat hunian
- c. Tingkat pertumbuhan
- d. Tingkat diskonto dan kapitalisasi
- e. Biaya pembuatan baru per meter persegi
- f. Depresiasi, keusangan fungsional dan eksternal

There were no property, plant and equipment which could be classified as the level 1 Fair Value.

The level 2 Fair Value of land rights is calculated using the market approach and income approach, while building value is calculated using the cost approach. Data inputs were obtained from the market that consists of among others:

- a. *Sales or rental price per square meter*
- b. *Occupancy rate*
- c. *Growth rate*
- d. *Discount and capitalization rate*
- e. *Replacement cost new per square meter*
- f. *Depreciation, functional and external obsolescence*

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6. ASET TETAP (lanjutan)

Penyesuaian dilakukan berdasarkan ukuran, lokasi, bentuk dan spesifikasi, hak atas tanah dan elemen perbandingan lainnya.

Nilai wajar tingkat 3 dihitung dengan menerapkan pendekatan pasar, pendekatan pendapatan dan pendekatan biaya dengan menggunakan input yang tidak dapat diobservasi.

Selain menggunakan data masukan yang berasal dari pasar, KJPP RHR juga menggunakan data masukan yang tidak dapat diobservasi dari pasar dan menggunakan asumsi khusus terkait dengan jenis aset yang tergolong sebagai properti khusus, seperti pembangkit listrik, jaringan transmisi dan distribusi, gardu listrik dan lainnya.

Penyesuaian dilakukan berdasarkan ukuran, kapasitas, usia, lokasi, bentuk dan spesifikasi, hak atas tanah dan elemen perbandingan lainnya.

Informasi mengenai pengukuran nilai wajar yang menggunakan informasi signifikan yang tidak dapat diobservasi (Tingkat 3) adalah sebagai berikut:

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

Adjustments were made based on size, location, shapes and specifications, land rights and other comparison elements.

The level 3 Fair Value is calculated through the market approach, income approach, and cost approach by using unobservable inputs.

Other than the data inputs observed from the market, KJPP RHR also used unobservable market data inputs and used special assumptions related to the assets classified as specialised property, such as power plants, transmission and distribution networks, substations and others.

Adjustments were made based on size, capacity, age, location, shapes and specifications, land rights and other comparison elements.

Information about fair value measurements using significant unobservable inputs (Level 3) are as follows:

	Nilai wajar pada 31 Desember 2015/ Fair value at December 31, 2015	Teknik penilaian/ Valuation technique	Informasi yang tidak dapat diobservasi/ Unobservable Input	Kisaran input yang tidak dapat diobservasi/ Range of unobservable inputs	Hubungan informasi yang tidak dapat diobservasi terhadap nilai wajar/ Relationship of unobservable inputs to fair value	
Tanah	71.399.518					Land rights
Tanah tapak tower	8.344.953	Pendekatan pasar dengan metode/Market approach with Across the Fence ("ATF") method	Kompensasi/Compensation Right of Way ("ROW")	10% - 20%	Semakin tinggi kompensasi ROW maka semakin tinggi nilai wajar/The higher the ROW compensation, the higher the fair value	Land rights for tower site
Tanah gardu dan kantor	42.550.076	Pendekatan pendapatan dengan metode pendekatan lahan/Income approach with the land approach method	- Perubahan peruntukan/ Zoning changes - Penyesuaian parameter pengembangan/ Adjustment of parameter development	1,35 - 3,40	Semakin tinggi Koefisien Luas Bangunan ("KLB") maka semakin tinggi nilai wajar/The higher the KLB, the higher the fair value	Land rights for substation and office building
Tanah pembangkit	20.504.489	Pendekatan pendapatan dengan metode pendekatan lahan/Income approach with the land approach method	- Perubahan peruntukan/ Zoning changes - Penyesuaian parameter pengembangan/ Adjustment of parameter Development	1,35 - 3,40	Semakin tinggi KLB maka semakin tinggi nilai wajar/The higher the KLB, the higher the fair value	Land rights for power plant
		Pendekatan pasar dengan metode/Market approach with Across the Fence ("ATF") method	Biaya pembebasan lahan/ Soft cost	5% - 10%	Semakin tinggi biaya pembebasan lahan maka semakin tinggi nilai wajar/ The higher the soft cost, the higher the fair value	
Bangunan	39.838.087					Building
Bangunan umum	20.766.582	Pendekatan biaya/ Cost approach	Penyusutan fisik/ Physical depreciation	0% - 83%	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/The higher the functional depreciation, the lower the fair value	Buildings
Waduk dan prasarana	19.071.505	Trending/Trending	Penyusutan fungsional/ Functional depreciation	1,00 - 2,44	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/The higher the functional depreciation, the lower the fair value	Reservoir and infrastructure
			Indeks/Index		Semakin besar tingkat indeks maka semakin besar nilai wajar/ The higher the index rate, the higher the fair value	

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6. ASET TETAP (lanjutan)

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

	Nilai wajar pada 31 Desember 2015/ Fair value at December 31, 2015	Teknik penilaian/ Valuation technique	Informasi yang tidak dapat diobservasi/ Unobservable Input	Kisaran input yang tidak dapat diobservasi/ Range of unobservable inputs	Hubungan informasi yang tidak dapat diobservasi terhadap nilai wajar/ Relationship of unobservable inputs to fair value	
Instalasi dan mesin pembangkit	572.134.451	Pendekatan biaya/ Cost approach	Penyusutan fungsional/ Functional depreciation	1% - 23%	Semakin besar penyusutan fungsional maka semakin rendah nilai wajar/ The higher the functional depreciation rate, the lower the fair value	Installation and power plant
			Indeks/Index		Semakin besar tingkat indeks maka semakin besar nilai wajar/ The higher the index rate, the higher the fair value	
Perlengkapan transmisi	86.701.829	Pendekatan biaya/ Cost approach	Indeks/Index	1,00 - 1,54	Semakin besar tingkat indeks maka semakin tinggi nilai wajar/ The higher the index rate, the higher the fair value	Transmission equipment
Perlengkapan distribusi	141.446.484	Pendekatan biaya/ Cost approach	Indeks/Index	1,00 - 1,54	Semakin besar tingkat indeks maka semakin tinggi nilai wajar/ The higher the index rate, the higher the fair value	Distribution equipment
Material cadangan utama	667.055	Pendekatan biaya/ Cost approach	Indeks/Index	1,00 - 1,17	Semakin besar tingkat indeks maka semakin tinggi nilai wajar/ The higher the index rate, the higher the fair value	Major spare parts
Perlengkapan pengolahan data dan telekomunikasi yang digunakan dalam penyediaan listrik	2.603.090	Pendekatan biaya/ Cost approach	Indeks/Index	1,00 - 1,023	Semakin besar tingkat indeks maka semakin tinggi nilai wajar/ The higher the index rate, the higher the fair value	Telecommunication and data processing equipments used for electricity supply

Perusahaan dan entitas anak juga melakukan penilaian kembali atas aset tetap untuk tujuan perpajakan.

The Company and its subsidiaries also performed revaluation for tax purposes.

Selain aset yang menggunakan model revaluasi, tidak terdapat perbedaan yang signifikan antara nilai wajar aset tetap dengan nilai tercatatnya.

There is no significant difference between the fair value and carrying value of fixed assets other than assets that have applied the revaluation model.

Pekerjaan Dalam Pelaksanaan

Construction In Progress

Akun ini merupakan biaya-biaya yang terjadi sehubungan dengan pembangunan dan renovasi/perbaikan sarana kelistrikan, sebagai berikut:

This account represents costs incurred in relation to the construction and renovation/betterment of power supply facilities, as follows:

	<u>2015</u>	<u>2014</u>	
Proyek penugasan - Program percepatan			Mandatory project - Fast track program
Pembangkitan	33.499.918	38.084.328	Power plants
Transmisi	<u>7.511.564</u>	<u>8.016.732</u>	Transmission
Sub jumlah	<u>41.011.482</u>	<u>46.101.060</u>	Sub total
Konstruksi rutin			Regular constructions
Pembangkitan	19.991.986	13.187.566	Power plants
Transmisi	39.769.816	32.481.777	Transmission
Distribusi	3.842.308	2.925.154	Distribution
Perlengkapan	<u>369.095</u>	<u>205.531</u>	Equipment
Sub jumlah	<u>63.973.205</u>	<u>48.800.028</u>	Sub total
Jumlah	<u>104.984.687</u>	<u>94.901.088</u>	Total

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6. ASET TETAP (lanjutan)

Pekerjaan Dalam Pelaksanaan (lanjutan)

(i) Program percepatan

Program percepatan (*fast track program*) merupakan proyek yang ditugaskan Pemerintah kepada Perusahaan. Pekerjaan dalam pelaksanaan program percepatan termasuk pembayaran uang muka kepada kontraktor, biaya pinjaman serta pengeluaran lain yang dapat dikapitalisasi.

(ii) Konstruksi rutin

Pembangkitan

Pekerjaan dalam pelaksanaan pembangkitan terutama merupakan PLTA Peusangan 88 MW, PLTU Asahan III 2x87 MW dan PLTG Kaltim 2x50 MW.

Transmisi

Pekerjaan dalam pelaksanaan transmisi terutama merupakan proyek jaringan transmisi T/L 500 kV Jawa - Bali, T/L 150 kV untuk luar Jawa - Bali, proyek gardu induk 150 kV serta proyek interkoneksi jaringan.

Distribusi

Pekerjaan dalam pelaksanaan distribusi terutama merupakan proyek jaringan distribusi tegangan menengah dan rendah 20 kV serta proyek gardu distribusi.

Perlengkapan

Perlengkapan pekerjaan dalam pelaksanaan termasuk materi dan perlengkapan khusus yang digunakan untuk menunjang fungsi pembangkitan dan distribusi listrik.

Pekerjaan dalam pelaksanaan ini diperkirakan selesai antara tahun 2016 dan 2019.

Proyek Sarulla

Perusahaan sebelumnya telah mengambil hak atas Proyek Sarulla dengan membayar kompensasi dengan nilai ekuivalen Rupiah Rp 504,6 milyar, yang dicatat sebagai pekerjaan dalam pelaksanaan. Setelah itu Proyek Sarulla telah dialihkan kepada Sarulla Operations Ltd., PT Medco Geopower Sarulla, Sarulla Power Asset Ltd. dan OrSarulla Inc dengan kompensasi US\$ 70 juta kepada Perusahaan. Perusahaan telah menerima uang sejumlah US\$ 70 juta di tahun 2014.

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

Construction In Progress (continued)

(i) Fast track program

The fast track program represents projects which are mandated by the Government to the Company. Construction in progress by the fast track program includes advance payments made to the contractors, borrowing costs and other capitalizable expenditures.

(ii) Regular constructions

Power plants

Power plants under construction consist mainly of PLTA Peusangan 88 MW, PLTU Asahan III 2x87 MW and PLTG Kaltim 2x50 MW.

Transmission

Transmission under construction consists mainly of projects of transmission lines of T/L 500 kV in Java - Bali, T/L 150 kV outside Java - Bali, substations 150 kV and interconnection of transmission projects.

Distribution

Distribution under construction consists mainly of projects of mid and low voltage distribution lines of 20 kV and distribution substation projects.

Equipment

Equipment under construction consist of specialised materials and equipment used to support the generation and distribution of electricity.

Constructions in progress are expected to be completed between 2016 and 2019.

Sarulla Project

The Company previously took over rights in the Sarulla Project by paying compensation with Rupiah equivalent amount of Rp 504.6 billion, which was recorded as construction in progress. The Sarulla Project was subsequently transferred to Sarulla Operations Ltd., PT Medco Geopower Sarulla, Sarulla Power Asset Ltd. and OrSarulla Inc. with a compensation paid to the Company of US\$ 70 million. The Company has received US\$ 70 million in the year 2014.

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6. ASET TETAP (lanjutan)

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

Pekerjaan Dalam Pelaksanaan (lanjutan)

Construction In Progress (continued)

Pada tanggal 31 Desember 2015, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan Perusahaan terhadap nilai kontrak adalah sebagai berikut:

As at December 31, 2015, the estimated percentage of completion of the Company's construction in progress projects are as follows:

<u>Nama Proyek/Project Name</u>	<u>Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress</u>	<u>Persentase penyelesaian/ Percentage of completion</u>
PLTU 2 Jateng - Adipala	11.566.340	99%
PLTU 3 Jatim - Tanjung Awar-awar	4.179.862	98%
PLTU Kaltim - Teluk Balikpapan	2.949.497	94%
PLTU Riau - Tenayan	2.925.080	95%
PLTGU Gorontalo Peaker	2.066.572	83%
PLTU Kalteng - Pulang Pisau	2.033.504	93%
PLTU Lampung - Tarahan Unit 4	2.015.633	99%
PLTG Bengkanai	1.821.973	96%
PLTA Peusangan	1.811.290	54%
PLTU Kalbar 1 - Parit Baru	1.686.895	85%
Transmisi lainnya/ <i>Various transmission line</i>	47.281.380	2%-98%
Pembangkitan lainnya/ <i>Other power plants</i>	20.435.258	2%-98%
Lainnya/ <i>Others</i>	4.211.403	2%-98%
Jumlah/Total	104.984.687	

Pada tanggal 31 Desember 2014, estimasi persentase jumlah tercatat pekerjaan dalam pelaksanaan Perusahaan terhadap nilai kontrak adalah sebagai berikut:

As at December 31, 2014, the estimated percentages of completion of the Company's construction in progress projects were as follows:

<u>Nama Proyek/Project Name</u>	<u>Nilai pekerjaan dalam pelaksanaan/ Value of construction in progress</u>	<u>Persentase penyelesaian/ Percentage of completion</u>
PLTU 2 Jateng - Adipala	9.809.378	98%
PLTU Sumut - Pangkalan Susu	5.120.908	99%
PLTU 3 Jatim - Tanjung Awar-awar	3.789.812	96%
PLTU Riau - Tenayan	2.959.716	93%
PLTU Kaltim - Teluk Balikpapan	2.489.600	86%
PLTU Kalteng - Pulang Pisau	1.799.106	86%
PLTU Kalbar 1 - Parit Baru	1.570.001	82%
PLTU Parit Baru Site Bengkayang	1.061.921	48%
PLTU 2 NTB - Lombok	918.145	93%
PLTU 3 Babel - Bangka	744.871	98%
Lainnya/ <i>Others</i>	64.637.630	2%-98%
Jumlah/Total	94.901.088	

Informasi mengenai persentase penyelesaian yang disajikan dalam tabel diatas menggambarkan estimasi kemajuan tahap *engineering, procurement and construction*. Selanjutnya, masih perlu dilakukan sejumlah pengujian-pengujian sebelum proyek pekerjaan dalam pelaksanaan menerima sertifikat laik operasi.

The information about the percentages of completion disclosed in the table above indicate the estimated progress during the *engineering, procurement and construction* phases. There are still a number of tests that need to be performed during the *commissioning* phase before the projects are certified for operations.

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6. ASET TETAP (lanjutan)

Pekerjaan Dalam Pelaksanaan (lanjutan)

Biaya pinjaman yang dikapitalisasi ke pekerjaan dalam pelaksanaan adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Program percepatan		
Bunga pinjaman	1.336.503	1.435.210
Kerugian kurs mata uang asing	<u>589.801</u>	<u>709.570</u>
Sub jumlah	<u>1.926.304</u>	<u>2.144.780</u>
Konstruksi rutin		
Bunga pinjaman	1.028.818	796.555
Kerugian kurs mata uang asing	<u>379.385</u>	<u>287.909</u>
Sub jumlah	<u>1.408.203</u>	<u>1.084.464</u>
Jumlah	<u><u>3.334.507</u></u>	<u><u>3.229.244</u></u>

Biaya pinjaman dikapitalisasi pada tingkat bunga rata-rata tertimbang dari pinjaman umum yaitu sebesar 8,45%.

Dalam beberapa kesempatan masih ada sedikit kendala terkait perizinan dan pembebasan lahan. Namun demikian dengan terbitnya Peraturan Presiden Republik Indonesia ("Perpres") No. 4/2016 dan perubahannya Perpres No. 14/2017, manajemen berkeyakinan bahwa hambatan dalam penyelesaian proyek tersebut dapat diatasi.

Aset Tidak Digunakan Dalam Operasi

Kerugian dari penghapusan aset yang tidak digunakan dalam operasi sebesar Rp 497.835 juta tahun 2015 dan Rp 408.446 juta tahun 2014 dicatat sebagai beban usaha lain-lain (Catatan 46).

Aset tidak digunakan dalam operasi meliputi aset tetap akan direlokasi, belum digunakan dalam operasi serta aset tetap akan diperbaiki.

Aset tertentu yang tidak digunakan dalam operasi dijual seharga Rp 9.285 juta tahun 2015 dan Rp 32.975 juta tahun 2014. Nilai buku aset yang dijual tersebut telah Rp nihil, sehingga hasil penjualan aset merupakan keuntungan penjualan aset tidak digunakan dalam operasi.

Manajemen berpendapat bahwa percepatan penyusutan atas aset yang tidak digunakan dalam operasi memadai untuk menutup risiko kerugian penurunan nilai yang mungkin timbul dari aset tersebut.

**6. PROPERTY, PLANT, AND EQUIPMENT
(continued)**

Construction In Progress (continued)

Borrowing costs which were capitalized to construction in progress are as follows:

	<u>2015</u>	<u>2014</u>
Fast track program		
Interest expense	1.336.503	1.435.210
Loss on foreign exchange	<u>589.801</u>	<u>709.570</u>
Sub total	<u>1.926.304</u>	<u>2.144.780</u>
Regular constructions		
Interest expense	1.028.818	796.555
Loss on foreign exchange	<u>379.385</u>	<u>287.909</u>
Sub total	<u>1.408.203</u>	<u>1.084.464</u>
Total	<u><u>3.334.507</u></u>	<u><u>3.229.244</u></u>

Borrowing costs were capitalized at the weighted average rate of general borrowings of 8.45%.

In some occasions there are constraints related to permit and land acquisition. However, with the issuance of the President of Republic of Indonesia Regulation ("Perpres") No. 4/2016 and its amendment No. 14/2017, the management believes that such constraints in completing the projects can be overcome.

Assets Not Used In Operations

Loss on written off assets not used in operations amounting to Rp 497,835 million in 2015 and Rp 408,446 million in 2014, respectively are recorded as other operating expenses (Note 46).

Assets not used in operations are comprised of property, plant and equipment to be relocated, not yet used in operations and property, plant and equipment to be repaired.

Certain assets not used in operations were sold with a selling price of Rp 9,285 million in 2015 and Rp 32,975 million in 2014. The carrying value of such assets was Rp nil, hence the proceeds from the sale of assets represented a gain on the sale of assets not used in operations.

Management believes that accelerated depreciation on assets not used in operations is adequate to cover possible loss on impairment on the value of such assets.

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7. PROPERTI INVESTASI

Akun ini merupakan tanah milik PJB yang terletak di Paiton - Jawa Timur, Bekasi - Jawa Barat, Pluit - Jakarta Utara dan Asahan - Sumatera Utara dengan hak legal berupa hak guna bangunan berjangka waktu dari 20 sampai 33 tahun, jatuh tempo pada 2041, yang disewakan kepada atau digunakan oleh PT Paiton Energy, PT Jawa Power, PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas dan PT Bajradaya Sentranusa. Penyewa tidak mempunyai hak opsi membeli properti pada saat akhir masa sewa.

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak melakukan perubahan kebijakan akuntansi properti investasi dari sebelumnya menggunakan model biaya menjadi model revaluasi. Penilaian pada nilai wajar entitas telah dilakukan oleh KJPP Rengganis Hamid dan Rekan, penilai independen yang telah teregistrasi pada OJK.

Nilai wajar properti investasi diklasifikasikan sebagai tingkat 2 dalam hirarki nilai wajar.

Secara total kenaikan nilai tercatat yang timbul dari revaluasi properti investasi yang direvaluasi dicatat sebagai "Pendapatan Komprehensif Lain". Nilai wajar properti investasi pada tanggal 31 Desember 2015 adalah sebesar Rp 1.000.974 juta.

Penilaian kembali dilakukan atas properti investasi dengan nilai buku pajak sebelum revaluasi sebesar Rp 233.133 juta dan menghasilkan keuntungan revaluasi sebesar Rp 767.841 juta.

7. INVESTMENT PROPERTIES

This account pertains to pieces of land rights owned by PJB located in Paiton - East Java, Bekasi - West Java, Pluit - North Jakarta and Asahan - North Sumatera with Building Use Rights (Hak Guna Bangunan or HGB) for periods between 20 to 33 years until 2041, which are rented to or used by PT Paiton Energy, PT Jawa Power, PT Pertamina Hulu Energi ONWJ, PT Nusantara Regas and PT Bajradaya Sentranusa. The lessees do not have options to purchase at the expiry of the lease period.

On December 31, 2015, the Company and its subsidiaries changed their accounting policy of investment properties from the cost model to the revaluation model. The revaluation to determine the fair value of the entity was performed by KJPP Rengganis, Hamid dan Rekan, independent valuers registered in OJK.

The fair values of investment properties are within level 2 of the fair value hierarchy.

In total, the increases in the carrying amounts of investment properties were recognized in "Other Comprehensive Income". The total fair value of the investment properties as of December 31, 2015 amounts to Rp 1,000,974 million.

The revaluation of the above properties investment with fiscal book value before revaluation amounting to Rp 233,133 million resulted in a gain on revaluation amounting to Rp 767,841 million.

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA**

Rincian investasi pada entitas asosiasi dan ventura bersama adalah sebagai berikut:

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES**

Details of investments in associates and joint ventures are as follows:

	Domisili/ Domicille	Jenis usaha/ Nature of business	Tahun Operasi Komersial/ Commercial Operations	Presentase kepemilikan efektif/ Effective percentage of ownership 31 Desember/ December 31, 2015	31 Desember/ December 31, 2014
<i>Investasi pada entitas asosiasi/ Investment in associates</i>					
PT Geo Dipa Energi	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2002	8,19	33,00
PT Mitra Energi Batam	Batam	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2004	30,00	30,00
PT Sumber Segara Primadaya	Cilacap	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2006	49,00	49,00
PT Dalle Energy Batam	Batam	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2006	20,00	20,00
PT Energi Pelabuhan Indonesia	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2013	45,00	45,00
PT Tanjung Kasam Power	Batam	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2012	10,00	10,00
PT Indo Pusaka Berau	Berau	Perdagangan batu bara/ <i>Coal trading</i>	2005	46,80	46,80
<i>Ventura bersama/Joint ventures</i>					
PT Unelec Indonesia	Jakarta	Penunjang penyedia tenaga listrik/ <i>Electrical supports</i>	1988	32,35	32,35
PT Rajamandala Electric Power	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	51,00	51,00
PT Bajradaya Sentranusa	Asahan	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2010	36,61	36,61
PT Bukit Pembangkit Innovative	Palembang	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	2015	37,25	37,25
PT Komipo Pembangkitan Jawa Bali ("Komipo PJB")	Jepara	Operasi dan pemeliharaan/ <i>Operational and maintenance</i>	2010	49,00	49,00
PT Perta Daya Gas	Jakarta	Transportasi dan penyimpanan LNG/ <i>Transportation and storage of LNG</i>	2015	35,00	35,00
PT Crompton Power Switchgear Indonesia	Jakarta	Peralatan pengontrol dan pendistribusian listrik/ <i>Electricity controller and distribution</i>	2014	49,00	49,00
PT Rekind Daya Mamuju	Jakarta	Pembangkit tenaga listrik/ <i>Electricity supplier</i>	*)	10,00	10,00

*) Tahap pengembangan/*Development stage*

Seluruh entitas asosiasi dan ventura bersama dicatat oleh Perusahaan dan entitas anak dengan menggunakan metode ekuitas. Seluruh entitas adalah entitas tertutup dan tidak terdapat harga pasar yang dikutip yang tersedia untuk sahamnya.

Per 31 Desember 2015 dan 2014, manajemen berpendapat bahwa tidak terdapat pembatasan dan risiko signifikan yang terkait dengan investasi pada asosiasi dan ventura bersama.

All the associates and joint ventures are recorded by the Company and its subsidiaries using the equity method. They are private entities and there is no quoted market price available for its share.

As at December 31, 2015 and 2014, management believes that there is no significant restriction and risk regarding the investments in associates and joint ventures.

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA (lanjutan)**

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

Berikut ini adalah ringkasan informasi keuangan entitas asosiasi dan ventura bersama pada 31 Desember 2015 dan 2014 yang dicatat dengan menggunakan metode ekuitas.

The following table contains the summarized financial information for associates and joint ventures as at December 31, 2015 and 2014, which are accounted for using the equity method.

Entitas asosiasi/Associates

	31 Desember/December 31, 2015					
	PT Mitra Energi Batam	PT Sumber Segara Primadaya	PT Tanjung Kasam Power	Lainnya/ Others	Jumlah/ Total	
Lancar						<i>Current</i>
Kas dan setara kas	25.280	71.155	170.488	91.685	358.608	<i>Cash and cash equivalents</i>
Aset lancar lainnya (tidak termasuk kas)	<u>171.640</u>	<u>614.713</u>	<u>149.256</u>	<u>190.475</u>	<u>1.126.084</u>	<i>Other current assets (excluding cash)</i>
Jumlah aset lancar	<u>196.920</u>	<u>685.868</u>	<u>319.744</u>	<u>282.160</u>	<u>1.484.692</u>	<i>Total current assets</i>
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	2.091	566.800	101.750	126.364	797.005	<i>Trade payables</i>
Biaya yang masih harus dibayar	4.545	151.590	211.917	33.053	401.105	<i>Accrued expenses</i>
Liabilitas lancar lainnya	<u>59.068</u>	<u>1.526.391</u>	<u>1.296</u>	<u>33.803</u>	<u>1.620.558</u>	<i>Other current liabilities</i>
Jumlah liabilitas lancar	<u>65.704</u>	<u>2.244.781</u>	<u>314.963</u>	<u>193.220</u>	<u>2.818.688</u>	<i>Total current liabilities</i>
Tidak lancar						<i>Non-current</i>
Aset	533.732	11.962.019	2.728.715	953.538	16.178.004	<i>Assets</i>
Liabilitas keuangan	340.552	8.449.991	1.666.436	194.313	10.651.292	<i>Financial liabilities</i>
Liabilitas lainnya	<u>12.082</u>	<u>(198)</u>	<u>510.060</u>	<u>170.649</u>	<u>692.593</u>	<i>Other liabilities</i>
Jumlah liabilitas tidak lancar	<u>352.634</u>	<u>8.449.793</u>	<u>2.176.496</u>	<u>364.962</u>	<u>11.343.885</u>	<i>Total non-current liabilities</i>
Aset bersih	<u>312.314</u>	<u>1.953.313</u>	<u>557.000</u>	<u>677.516</u>	<u>3.500.143</u>	<i>Net assets</i>
% kepemilikan efektif	30	49	10	20 – 46,8	10 – 49	<i>% of effective ownership</i>
Bagian atas aset bersih asosiasi	93.694	957.124	55.700	212.506	1.319.024	<i>Share of the net assets of associates</i>
Penyesuaian metode ekuitas	<u>8.239</u>	<u>331.561</u>	<u>(11.461)</u>	<u>(1.950)</u>	<u>326.389</u>	<i>Adjustment of equity method</i>
Jumlah tercatat	<u>101.933</u>	<u>1.288.685</u>	<u>44.239</u>	<u>210.556</u>	<u>1.645.413</u>	<i>Total carrying value</i>
Pendapatan	116.177	3.833.634	418.505	733.847	5.102.163	<i>Revenue</i>
Beban pokok penjualan	(51.372)	-	(60.323)	(477.457)	(589.152)	<i>Cost of good sold</i>
Depresiasi dan amortisasi	-	(303.261)	-	(13.729)	(316.990)	<i>Depreciation and amortization</i>
Pendapatan keuangan	-	1.451	-	152	1.603	<i>Interest income</i>
Beban keuangan	(37.147)	(8.430)	(71.541)	(30.003)	(147.121)	<i>Interest expense</i>
Beban operasi	(38.619)	(2.389.378)	(77.661)	(163.159)	(2.668.817)	<i>Operating expense</i>
Pendapatan (beban) lain-lain, bersih	13.343	(253.860)	-	404	(240.113)	<i>Other income (charges) - net</i>
Beban pajak penghasilan	<u>(509)</u>	<u>(122.817)</u>	<u>(51.159)</u>	<u>(17.327)</u>	<u>(191.812)</u>	<i>Income tax expense</i>
Laba/(rugi) periode berjalan	<u>1.873</u>	<u>757.339</u>	<u>157.821</u>	<u>32.728</u>	<u>949.761</u>	<i>Profit/(loss) for the period</i>
% kepemilikan efektif	30	49	10	20 – 46,8	10 - 49	<i>% of effective ownership</i>
Bagian atas laba/(rugi) asosiasi periode berjalan	<u>562</u>	<u>371.096</u>	<u>15.782</u>	<u>9.814</u>	<u>397.254</u>	<i>Share of the profit or loss for the period of associates</i>
Laba/(rugi) komprehensif lainnya	-	-	-	-	-	<i>Other comprehensive income (loss)</i>
Bagian atas laba/(rugi) komprehensif asosiasi	-	-	-	-	-	<i>Share of other comprehensive income (loss) of associates</i>
Dividen yang diterima dari perusahaan asosiasi	-	<u>54.225</u>	-	<u>2.327</u>	<u>56.552</u>	<i>Dividends received from associates</i>

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA (lanjutan)**

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

Entitas asosiasi/Associates

	31 Desember/December 31, 2014					
	PT Mitra Energi Batam	PT Sumber Segara Primadaya	PT Tanjung Kasam Power	Lainnya/ Others	Jumlah/ Total	
Lancar						<i>Current</i>
Kas dan setara kas	9.773	442.921	90.745	4.387	547.826	<i>Cash and cash equivalents</i>
Aset lancar lainnya (tidak termasuk kas)	109.100	463.543	183.543	174.764	930.950	<i>Other current assets (excluding cash)</i>
Jumlah aset lancar	118.873	906.464	274.288	179.151	1.478.776	<i>Total current assets</i>
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	2.610	844.824	92.513	113.609	1.053.556	<i>Trade payables</i>
Biaya yang masih harus dibayar	3.192	166.367	132.287	17.637	319.483	<i>Accrued expenses</i>
Liabilitas lancar lainnya	104.546	1.616.617	149.775	28.428	1.899.366	<i>Other current liabilities</i>
Jumlah liabilitas lancar	110.348	2.627.808	374.575	159.674	3.272.405	<i>Total current liabilities</i>
Tidak lancar						<i>Non-current</i>
Aset	603.998	8.188.047	2.399.657	920.751	12.112.453	<i>Assets</i>
Liabilitas keuangan	6.575	4.744.077	1.502.752	142.601	6.396.005	<i>Financial liabilities</i>
Liabilitas lainnya	285.013	2	412.438	201.714	899.167	<i>Other liabilities</i>
Jumlah liabilitas tidak lancar	291.588	4.744.079	1.915.190	344.315	7.295.172	<i>Total current liabilities</i>
Aset bersih	320.935	1.722.624	384.180	595.913	3.023.652	<i>Net assets</i>
% kepemilikan efektif	30	49	10	20 - 46,8	10 - 49	<i>% of effective ownership</i>
Bagian atas aset bersih asosiasi	96.281	844.086	38.418	175.643	1.154.428	<i>Share of the net assets of associates</i>
Penyesuaian metode ekuitas	5.090	127.728	(9.961)	27.426	150.283	<i>Adjustment of equity method</i>
Jumlah tercatat	101.371	971.814	28.457	203.069	1.304.711	<i>Total carrying value</i>
Pendapatan	88.935	3.348.389	390.286	609.058	4.436.668	<i>Revenue</i>
Beban pokok penjualan	(41.499)		(247.440)	(445.984)	(734.923)	<i>Cost of good sold</i>
Depresiasi dan amortisasi	-	(304.427)	-	-	(304.427)	<i>Depreciation and amortization</i>
Pendapatan keuangan	-	2.963	-	56	3.019	<i>Interest income</i>
Beban keuangan	(11.775)	(18.862)	(73.221)	(30.900)	(134.758)	<i>Interest expense</i>
Beban operasi	(30.680)	(2.188.339)	(84.413)	(76.911)	(2.380.343)	<i>Operating expense</i>
Pendapatan (beban) lain-lain, bersih	(699)	(21.287)	-	(2.630)	(24.616)	<i>Other income (charges) - net</i>
Beban pajak penghasilan	(2.831)	(164.258)	(49.384)	(16.132)	(232.605)	<i>Income tax expense</i>
Laba/(rugi) periode berjalan	1.451	654.179	(64.172)	36.557	628.015	<i>Profit/(loss) for the period</i>
% kepemilikan efektif	30	49	10	20 - 46,8	10 - 49	<i>% of effective ownership</i>
Bagian atas laba/(rugi) asosiasi periode berjalan	435	320.548	(6.417)	21.455	336.021	<i>Share of the profit or loss for the period of associates</i>
Laba/(rugi) komprehensif lainnya	-	-	-	-	-	<i>Other comprehensive income (loss)</i>
Bagian atas laba/(rugi) komprehensif asosiasi	-	-	-	-	-	<i>Share of other comprehensive income (loss) of associates</i>
Dividen yang diterima dari perusahaan asosiasi	3.030	30.517	-	2.060	35.607	<i>Dividends received from associates</i>

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
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**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

Ventura bersama/Joint ventures

	31 Desember/December 31, 2015					
	PT Unelec Indonesia	PT Bajradaya Sentranusa	PT Bukit Pembangkit Innovative	Lainnya/ Others	Jumlah/ Total	
Lancar						<i>Current</i>
Kas dan setara kas	1.389	482.118	185.970	333.919	1.003.396	<i>Cash and cash equivalents</i>
Aset lancar lainnya (tidak termasuk kas)	1.076.117	207.894	105.796	287.674	1.677.481	<i>Other current assets (excluding cash)</i>
Jumlah aset lancar	1.077.506	690.012	291.766	621.593	2.680.877	<i>Total current assets</i>
Liabilitas keuangan						<i>Financial liabilities</i>
Utang usaha	96.950	58.787	-	33.506	189.243	<i>Trade payables</i>
Biaya yang masih harus dibayar	146.987	18.352	384.072	50.903	600.314	<i>Accrued expenses</i>
Liabilitas lancar lainnya	627.625	295.947	364	19.190	943.126	<i>Other current liabilities</i>
Jumlah liabilitas lancar	871.562	373.086	384.436	103.599	1.732.683	<i>Total current liabilities</i>
Tidak lancar						<i>Non-current</i>
Aset	241.149	5.710.383	5.242.750	1.557.354	12.751.636	<i>Assets</i>
Liabilitas keuangan	-	3.006.284	2.476.395	1.387.184	6.869.863	<i>Financial liabilities</i>
Liabilitas lainnya	158.063	760.041	315.951	1.421	1.235.476	<i>Other liabilities</i>
Jumlah liabilitas tidak lancar	158.063	3.766.325	2.792.346	1.388.605	8.105.339	<i>Total non-current liabilities</i>
Aset bersih	289.030	2.260.984	2.357.734	686.743	5.594.491	<i>Net assets</i>
% kepemilikan efektif	32,35	36,61	37,25	10 - 51	10 - 51	<i>% of effective ownership</i>
Bagian atas aset bersih ventura bersama	93.501	827.746	878.256	242.930	2.042.433	<i>Share of the net assets of joint ventures</i>
Penyesuaian metode ekuitas	18.532	(409.323)	(101.039)	(21.318)	(513.148)	<i>Adjustment of equity method</i>
Jumlah tercatat	112.033	418.423	777.217	221.612	1.529.285	<i>Total carrying value</i>
Pendapatan	253.260	620.739	1.206.877	350.839	2.431.715	<i>Revenue</i>
Beban pokok penjualan	(289.929)	(16.070)	(393.306)	(124.358)	(823.663)	<i>Cost of good sold</i>
Depresiasi dan amortisasi	-	(335)	(816)	(57.866)	(59.017)	<i>Depreciation and amortization</i>
Pendapatan keuangan	-	200	6.781	12.466	19.447	<i>Interest income</i>
Beban keuangan	(9.537)	(240.059)	(114.163)	(45.872)	(409.631)	<i>Interest expense</i>
Beban operasi	(26.632)	(74.006)	(56.166)	(59.541)	(216.345)	<i>Operating expense</i>
Pendapatan (beban) lain-lain, bersih	15.478	163.664	(174.934)	(4.374)	(166)	<i>Other income (charges) - net</i>
Beban pajak penghasilan	-	(117.552)	(98.047)	2.775	(212.824)	<i>Income tax expense</i>
Labal/(rugi) periode berjalan	(57.360)	336.581	376.226	74.069	729.516	<i>Profit/(loss) for the period</i>
% kepemilikan efektif	32,35	36,61	37,25	10 - 51	10 - 51	<i>% of effective ownership</i>
Bagian atas laba/(rugi) ventura bersama periode berjalan	(18.556)	123.210	140.144	46.939	291.737	<i>Share of the profit or loss for the period of joint ventures</i>
Labal/(rugi) komprehensif lainnya	-	23.455	76.220	-	99.675	<i>Other comprehensive income (loss)</i>
Bagian atas laba/(rugi) komprehensif ventura bersama	-	8.586	28.392	-	36.978	<i>Share of other comprehensive income (loss) of joint ventures</i>
Dividen yang diterima dari perusahaan ventura bersama	-	69.350	-	35.104	104.454	<i>Dividends received from joint ventures</i>

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA (lanjutan)**

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

Ventura bersama/Joint ventures

	31 Desember/December 31, 2014					
	PT Unelec Indonesia	PT Bajradaya Sentranusa	Pembangkit Innovative	Lainnya/ Others	Jumlah/ Total	
Lancar						Current
Kas dan setara kas	4.043	491.873	135.711	485.519	1.117.146	Cash and cash equivalents
Aset lancar lainnya (tidak termasuk kas)	<u>959.279</u>	<u>158.720</u>	<u>5.583</u>	<u>161.982</u>	<u>1.285.564</u>	Other current assets (excluding cash)
Jumlah aset lancar	<u>963.322</u>	<u>650.593</u>	<u>141.294</u>	<u>647.501</u>	<u>2.402.710</u>	Total current assets
Liabilitas keuangan						Financial liabilities
Utang usaha	226.349	53.013	-	70.953	350.315	Trade payables
Biaya yang masih harus dibayar	99.049	18.693	92.712	16.870	227.324	Accrued expenses
Liabilitas lancar lainnya	<u>330.480</u>	<u>277.986</u>	<u>1.426</u>	<u>13.076</u>	<u>622.968</u>	Other current liabilities
Jumlah liabilitas lancar	<u>655.878</u>	<u>349.692</u>	<u>94.138</u>	<u>100.899</u>	<u>1.200.607</u>	Total current liabilities
Tidak lancar						Non-current
Aset	229.296	5.198.585	3.998.968	975.218	10.402.067	Assets
Liabilitas keuangan	-	2.856.261	1.954.131	1.011.267	5.821.659	Financial liabilities
Liabilitas lainnya	<u>133.064</u>	<u>776.943</u>	<u>193.840</u>	<u>1.421</u>	<u>1.105.268</u>	Other liabilities
Jumlah liabilitas tidak lancar	<u>133.064</u>	<u>3.633.204</u>	<u>2.147.971</u>	<u>1.012.688</u>	<u>6.926.927</u>	Total non-current liabilities
Aset bersih	<u>403.676</u>	<u>1.866.282</u>	<u>1.898.153</u>	<u>509.132</u>	<u>4.677.243</u>	Net assets
% kepemilikan efektif	32,35	36,61	37,25	35 - 51	32,35 - 51	% of effective ownership
Bagian atas aset bersih ventura bersama	130.589	683.246	707.062	173.220	1.694.117	Share of the net assets of joint ventures
Penyesuaian metode ekuitas	<u>-</u>	<u>(327.269)</u>	<u>(98.381)</u>	<u>(585)</u>	<u>(426.235)</u>	Adjustment of equity method
Jumlah tercatat	<u>130.589</u>	<u>355.977</u>	<u>608.681</u>	<u>172.635</u>	<u>1.267.882</u>	Total carrying value
Pendapatan	273.778	788.653	1.034.549	560.778	2.657.758	Revenue
Beban pokok penjualan	(261.786)	52.412	(573.421)	(406.797)	(1.189.592)	Cost of good sold
Depresiasi dan amortisasi	-	(601)	(644)	(33.655)	(34.900)	Depreciation and amortization
Pendapatan keuangan	-	2.034	9.203	7.599	18.836	Interest income
Beban keuangan	-	(511.277)	(85.746)	(24.155)	(621.178)	Interest expense
Beban operasi	(128.885)	(54.964)	(35.543)	(90.746)	(310.138)	Operating expense
Pendapatan (beban) lain-lain, bersih	(13.712)	(274)	(17.699)	(8.771)	(40.456)	Other income (charges) - net
Beban pajak penghasilan	<u>2.679</u>	<u>(46.152)</u>	<u>(103.770)</u>	<u>734</u>	<u>(146.509)</u>	Income tax expense
Laba/(rugi) periode berjalan	<u>(127.926)</u>	<u>229.831</u>	<u>226.929</u>	<u>4.987</u>	<u>333.821</u>	Profit/(loss) for the period
% kepemilikan efektif	32,35	36,61	37,25	35 - 51	32,35 - 51	% of effective ownership
Bagian atas laba/(rugi) ventura bersama periode berjalan	<u>(41.384)</u>	<u>84.141</u>	<u>84.531</u>	<u>24.510</u>	<u>151.798</u>	Share of the profit or loss for the period of joint ventures
Laba/(rugi) komprehensif lainnya	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Other comprehensive income (loss)
Bagian atas laba/(rugi) komprehensif ventura bersama	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Share of other comprehensive income (loss) of joint ventures
Dividen yang diterima dari perusahaan ventura bersama	<u>-</u>	<u>(28.129)</u>	<u>-</u>	<u>(30.327)</u>	<u>(58.456)</u>	Dividends received from joint ventures

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA (lanjutan)**

Investasi pada entitas di atas diperoleh terutama untuk tujuan potensi pertumbuhan jangka panjang, karena seluruh entitas tersebut bergerak dalam industri ketenagalistrikan yang sama dengan industri Perusahaan dan entitas anak.

PT Geo Dipa Energi

PT Geo Dipa Energi didirikan untuk melanjutkan pembangunan pembangkit tenaga listrik Dieng dan Patuha yang sebelumnya dimiliki Himpurna California Energy Limited dan Patuha Power Limited.

Pada tanggal 31 Desember 2015 dan 2014, jumlah tercatat investasi pada PT Geo Dipa Energi adalah Rp nihil.

Pada tahun 2015 dan 2014, Perusahaan tidak mengakui bagian rugi bersih PT Geo Dipa Energi masing-masing sebesar Rp 83.257 juta dan Rp 99.991 juta.

PT Mitra Energi Batam ("MEB")

Pada tahun 2015, PLN Batam menerima dividen tahun buku 2013 sebesar Rp 3.030 juta.

PT Sumber Segara Primadaya ("S2P")

Pada tahun 2015, PJB memperoleh dividen tahun buku 2014 dari S2P sebesar US\$ 3.920.000 setara dengan Rp 54.225 juta.

PT Bajradaya Sentranusa ("BDSN")

Pada tahun 2015, PJB memperoleh dividen tunai untuk saldo laba tahun 2014 dari BDSN sebesar US\$ 5.308.450 (ekuivalen Rp 69.350 juta).

PT Bukit Pembangkit Innovative ("BPI")

Pada tahun 2014, PJB dan NII meningkatkan investasi saham BPI masing-masing sebesar Rp 65.696 juta dan Rp 25.016 juta tanpa mengubah persentase kepemilikan saham.

PT Komipo Pembangkitan Jawa Bali ("KPJB")

Pada tahun 2015, PJB memperoleh dividen tahun buku 2014 dari KPJB sebesar Rp 35.104 juta.

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

The investments in the companies above are held primarily for long-term growth potential, since these companies are engaged in the same electricity industry as the Company and its subsidiaries.

PT Geo Dipa Energi

PT Geo Dipa Energi was established to continue the development of the Dieng and Patuha power plant projects previously owned by Himpurna California Energy Limited and Patuha Power Limited.

As of December 31, 2015 and 2014, the carrying amount of investment in PT Geo Dipa Energi is Rp nil.

In 2015 and 2014, the Company did not recognize net loss of PT Geo Dipa Energi amounting to Rp 83,257 million and Rp 99,991 million, respectively.

PT Mitra Energi Batam ("MEB")

In 2015, PLN Batam received the 2013 dividends in the amounting to Rp 3,030 million.

PT Sumber Segara Primadaya ("S2P")

In 2015, PJB received the 2014 dividends from S2P amounting to US\$ 3,920,000 equivalent to Rp 54,225 million.

PT Bajradaya Sentranusa ("BDSN")

In 2015, PJB received a cash dividend from BDSN for 2014 retained earnings amounting to US\$ 5,308,450 (equivalent to Rp 69,350 million).

PT Bukit Pembangkit Innovative ("BPI")

In 2014, PJB and NII increased their investment in shares of BPI by Rp 65,696 million and Rp 25,016 million, respectively without changing their percentages of ownership.

PT Komipo Pembangkitan Jawa Bali ("KPJB")

In 2015, PJB received the 2014 dividends from KPJB amounting to Rp 35,104 million.

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**8. INVESTASI PADA ENTITAS ASOSIASI DAN
VENTURA BERSAMA (lanjutan)**

PT Indo Pusaka Berau ("IPB")

Pada tahun 2015 dan 2014, IP memperoleh dividen tahun buku 2014 dan 2013 dari IPB masing-masing sebesar Rp 2.327 juta dan Rp 2.060 juta.

PT Tanjung Kasam Power ("TJK")

Walaupun PLN Batam hanya memiliki 10% kepemilikan TJK, PLN Batam mempunyai pengaruh yang signifikan atas TJK. Pengaruh yang signifikan dinilai berdasarkan keterwakilan PLN Batam pada susunan Direksi TJK hingga tahun 2015.

PT Rajamandala Electric Power ("REP")

Pada tahun 2014, IP melakukan penambahan investasi sebesar Rp 36.493 juta tanpa mengubah persentase kepemilikan.

PT Crompton Power Switchgear Indonesia

Pada tahun 2014, PLN Enjiniring dan CG International Holding Singapore PTE. LTD. mendirikan PT Crompton Power Switchgear Indonesia untuk membuat peralatan yang digunakan untuk pendistribusian listrik. PLN Enjiniring melakukan penyertaan saham sebesar US\$ 1,2 juta dan US\$ 1,9 juta atau setara dengan Rp 16.739 juta dan Rp 22.019 juta pada tahun 2015 dan 2014.

PT Rekind Daya Mamuju

Walaupun PT Rekadaya Elekrika hanya memiliki 10% kepemilikan di PT Rekind Daya Mamuju, PT Rekadaya Elekrika mempunyai pengendalian bersama atas PT Rekind Daya Mamuju berdasarkan adanya keharusan kesepakatan bersama atas pengambilan keputusan yang penting.

**8. INVESTMENTS IN ASSOCIATES AND JOINT
VENTURES (continued)**

PT Indo Pusaka Berau ("IPB")

In 2015 and 2014, IP received the 2014 and 2013 dividends from IPB amounting to Rp 2,327 million and Rp 2,060 million, respectively.

PT Tanjung Kasam Power ("TJK")

Although PLN Batam only has 10% ownership in TJK, PLN Batam has significant influence over TJK. The significant influence was indicated by PLN Batam's representation in TJK's Directors until 2015.

PT Rajamandala Electric Power ("REP")

In 2014, IP has increased investment in REP by Rp 36,493 million without changing its percentage of ownership.

PT Crompton Power Switchgear Indonesia

In 2014, PLN Enjiniring and CG International Holding Singapore PTE. LTD. established PT Crompton Power Switchgear Indonesia, to manufacture equipment used for electricity distribution. PLN Enjiniring made an investment amounting to US\$ 1.2 million and US\$ 1.9 million or equivalent to Rp 16,739 million and Rp 22,019 million, in 2015 and 2014, respectively.

PT Rekind Daya Mamuju

Although PT Rekadaya Elekrika only has 10% ownership in PT Rekind Daya Mamuju, PT Rekadaya Elekrika has joined arrangement in PT Rekind Daya Mamuju as there must be unanimous consent on important decisions.

9. PIUTANG PIHAK BERELASI

	<u>2015</u>	<u>2014</u>
PT Perta Daya Gas	293.369	249.072
PT Tanjung Kasam Power	23.935	23.935
PT Komipo Pembangkitan Jawa Bali	22.329	27.441
PT Mitra Energi Batam	683	3.712
PT Geo Dipa Energi	-	76.500
PT Dalle Energy Batam	-	960
Jumlah	<u>340.316</u>	<u>381.620</u>
Dikurangi bagian jangka pendek	<u>71.669</u>	<u>282.791</u>
Bagian jangka panjang	<u>268.647</u>	<u>98.829</u>

9. RECEIVABLES FROM RELATED PARTIES

PT Perta Daya Gas	
PT Tanjung Kasam Power	
PT Komipo Pembangkitan Jawa Bali	
PT Mitra Energi Batam	
PT Geo Dipa Energi	
PT Dalle Energy Batam	
Total	
Less current portion	
Long-term portion	

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9. PIUTANG PIHAK BERELASI (lanjutan)

PT Perta Daya Gas ("PDG")

Pada tanggal 12 Juni 2013, IP memberikan pinjaman jangka panjang sebesar US\$ 18,837 juta kepada PDG untuk membiayai proyek *Compressed Natural Gas* (CNG) di PLTU Tambak Lorok, Semarang. Pada tanggal 28 Nopember 2014, IP melakukan amandemen atas pinjaman jangka panjang yang diberikan kepada PDG. Jangka waktu pinjaman berubah menjadi enam tahun dan akan jatuh tempo pada 1 Desember 2021. Pinjaman ini dikenakan bunga 6,5% per tahun. Jumlah bunga pokok pinjaman terutang selama masa pembangunan proyek (*Interest During Construction*) dihitung sejak tanggal *dropping* dana sampai tanggal 30 Mei 2014 dan akan dibayarkan secara penuh tanggal 1 Desember 2015. Pinjaman pokok akan ditagihkan setiap enam bulan sekali melalui angsuran sebanyak 15 kali dari tanggal 1 Desember 2015 sampai dengan 1 Desember 2021. Pada tanggal 31 Desember 2015, saldo terhutang atas pokok dan bunga pinjaman ini sebesar US\$ 21 juta atau setara dengan Rp 289.685 juta (2014: US\$ 18,2 juta atau setara dengan Rp 226.302 juta). Piutang lainnya sebesar Rp 3.684 juta (2014: Rp 22.770 juta) merupakan piutang yang di antara lain atas piutang bunga dan biaya relokasi pegawai.

PT Komipo Pembangkitan Jawa Bali ("KPJB")

Pada tanggal 29 Desember 2010, PJB menyetujui untuk memberikan pinjaman kepada KPJB dalam bentuk *shareholder loan* dengan suku bunga 14% per tahun. Pinjaman ini bertujuan untuk memberikan KPJB dana cadangan untuk memenuhi kewajiban dalam perjanjian pengembangan operasi dan pemeliharaan dengan PJB. KPJB berkewajiban untuk memiliki dana cadangan selama berlakunya perjanjian untuk enam bulan operasi dan pemeliharaan pembangkit. Jangka waktu pinjaman tujuh tahun sejak tanggal 29 Desember 2010. Pelunasan pembayaran bunga dilakukan setiap tanggal 29 Desember dan cicilan pertama pokok piutang dilaksanakan pada tanggal 29 Desember 2012.

PT Tanjung Kasam Power, PT Dalle Energy Batam dan PT Mitra Energi Batam

Piutang dari PT Tanjung Kasam Power dan PT Dalle Energy Batam merupakan piutang atas denda kontrak penyediaan tenaga listrik. Piutang dari PT Dalle Energy Batam telah dilunasi pada tahun 2015.

Manajemen Perusahaan dan entitas anak berpendapat bahwa piutang pihak berelasi dapat tertagih.

PT Geo Dipa Energi

Piutang dari PT Geo Dipa Energi merupakan pinjaman yang diberikan untuk membantu PT Geo Dipa Energi membangun pembangkit listrik tenaga panas bumi.

**9. RECEIVABLES FROM RELATED PARTIES
(continued)**

PT Perta Daya Gas ("PDG")

On June 12, 2013, IP granted a long-term loan of US\$ 18.837 million to PDG for the financing of the *Compressed Natural Gas* (CNG) project in PLTU Tambak Lorok, Semarang. On November 28, 2014, IP made an amendment to the loan given to PDG. The tenor of the loan was revised to six years and it will mature on December 1, 2021. This loan bears interest at 6.5% per annum. The total interest on the principal during the construction of the project (*Interest During Construction*) is effective from the cash dropping until May 30, 2014 and will be paid in full on December 1, 2015. The principal shall be collected every six months in 15 installments from December 1, 2015 until December 1, 2021. On December 31, 2015, the outstanding principal and accrued interest of the loan amounted to US\$ 21 million, equivalent to Rp 289,685 million (2014: US\$ 18.2 million, equivalent to Rp 226,302 million). Other receivables from PDG amounting to Rp 3,684 million (2014: Rp 22,770 million) represent, among other things, interest receivables and cost of relocation of employees.

PT Komipo Pembangkitan Jawa Bali ("KPJB")

On December 29, 2010, PJB agreed to provide loans to KPJB, in the form of a shareholder loan with annual interest of 14% per annum. The purpose of this loan is to provide cash reserves for KPJB in order to comply with the contractual obligations stipulated in the *Expansion Operation and Maintenance Agreement* with PJB, which requires KPJB to, at any time of the contract term, maintain the cash reserves for six months operation and maintenance of power plant. The term of the loan is seven years starting from December 29, 2010. The interest will be due every December 29 and the first installment of principal payment was on December 29, 2012.

PT Tanjung Kasam Power, PT Dalle Energy Batam and PT Mitra Energi Batam

The receivable balance from PT Tanjung Kasam Power and PT Dalle Energy Batam represents receivables on penalty of power purchase contracts. Receivable from PT Dalle Energy Batam has been paid in 2015.

The Company's and its subsidiaries' managements consider these receivables from related parties to be collectible.

PT Geo Dipa Energi

The receivable balance from PT Geo Dipa Energi represents a loan given to assist PT Geo Dipa Energi to construct a geothermal power plant.

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**10. REKENING BANK DAN DEPOSITO
BERJANGKA DIBATASI PENGGUNAANNYA**

**10. RESTRICTED CASH IN BANKS AND TIME
DEPOSITS**

	<u>2015</u>	<u>2014</u>	
Angsuran sewa pembiayaan dan jaminan operasi			<i>Lease installments and operation guarantee</i>
Sumitomo Mitsui Banking Corporation, Singapura			<i>Sumitomo Mitsui Banking Corporation, Singapore</i>
JPY	8.160.752	5.472.504	<i>JPY</i>
US\$	613.115	508.333	<i>US\$</i>
Jaminan pembelian gas			<i>Guarantee deposit for gas purchases</i>
Deposito berjangka			<i>Time deposits</i>
Bank Mandiri* - pihak berelasi			<i>Bank Mandiri* - related party</i>
Rupiah	14.054	6.733	<i>Rupiah</i>
Rekening bank - Bank Central Asia			<i>Cash in bank - Bank Central Asia</i>
Rupiah	7.880	5.502	<i>Rupiah</i>
Jaminan bank garansi			<i>Bank guarantee</i>
Rekening bank			<i>Cash in banks</i>
Bank Rakyat Indonesia** - pihak berelasi			<i>Bank Rakyat Indonesia** - related party</i>
Rupiah	-	450	<i>Rupiah</i>
Bank Mandiri - pihak berelasi			<i>Bank Mandiri - related party</i>
Rupiah	291	-	<i>Rupiah</i>
Bank Negara Indonesia*** - pihak berelasi			<i>Bank Negara Indonesia*** - related party</i>
Rupiah	777	-	<i>Rupiah</i>
Bank Woori Saudara			<i>Bank Woori Saudara</i>
Rupiah	108	-	<i>Rupiah</i>
Jaminan <i>letter of credit</i>			<i>Letter of credit guarantee</i>
Bank Negara Indonesia - pihak berelasi			<i>Bank Negara Indonesia - related party</i>
US\$	-	506	<i>US\$</i>
Jumlah	<u>8.796.977</u>	<u>5.994.028</u>	Total
Tingkat bunga deposito berjangka per tahun			<i>Interest rate per annum on time deposits</i>
Rupiah	0,15% - 2,00%	0,40% - 2,00%	<i>Rupiah</i>
JPY	0,02% - 0,11%	0,05% - 0,19%	<i>JPY</i>
US\$	0,51% - 1,03%	0,40% - 0,51%	<i>US\$</i>

* PT Bank Mandiri (Persero) Tbk selanjutnya disebut sebagai Bank Mandiri/Hereafter PT Bank Mandiri (Persero) Tbk is referred to as Bank Mandiri
 ** PT BRI (Persero) Tbk selanjutnya disebut sebagai Bank Rakyat Indonesia/Hereafter PT BRI (Persero) Tbk is referred to as Bank Rakyat Indonesia
 *** PT BNI (Persero) Tbk selanjutnya disebut sebagai Bank Negara Indonesia/Hereafter PT BNI (Persero) Tbk is referred to as Bank Negara Indonesia

Perusahaan menempatkan dana cadangan pada Sumitomo Mitsui Banking Corporation, Singapura sebesar JPY 71.258 juta dan US\$ 44,4 juta pada tanggal 31 Desember 2015 dan sebesar JPY 52.495 juta dan US\$ 40,9 juta pada tanggal 31 Desember 2014 untuk memenuhi persyaratan *Financial Lease Agreement* ("FLA").

The Company established a reserve account with Sumitomo Mitsui Banking Corporation, Singapore amounting to JPY 71,258 million and US\$ 44.4 million as of December 31, 2015 and amounting to JPY 52,495 million and US\$ 40.9 million as of December 31, 2014 to fulfill the requirement of the Financial Lease Agreement ("FLA").

Rincian rekening bank dan deposito berjangka dibatasi penggunaannya dalam mata uang asing adalah sebagai berikut:

Details of restricted cash in bank and time deposits in foreign currencies are as follows:

	<u>2015</u>		<u>2014</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	
US\$	44.444.701	613.115	40.903.457	508.839	<i>US\$</i>
JPY	71.257.878.838	8.160.752	52.494.647.420	5.472.504	<i>JPY</i>
Jumlah		<u>8.773.867</u>		<u>5.981.343</u>	Total

*) Dalam jumlah penuh

*) In full amount

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11. ASET TIDAK LANCAR LAIN

11. OTHER NON-CURRENT ASSETS

	<u>2015</u>	<u>2014</u>	
Beban ditangguhkan	-	40.634	<i>Deferred charges</i>
Biaya dibayar dimuka			<i>Prepaid expenses</i>
Pembelian gas	895.908	589.145	<i>Gas purchased</i>
Lain-lain	<u>541.702</u>	<u>200.139</u>	<i>Others</i>
Jumlah	<u>1.437.610</u>	<u>789.284</u>	Total
Uang muka			<i>Advances</i>
Pengembangan proyek	1.406.756	1.867.827	<i>Project development</i>
Pembelian batubara	<u>848.825</u>	<u>849.302</u>	<i>Purchase of coal</i>
Jumlah	<u>2.255.581</u>	<u>2.717.129</u>	Total
Aset takberwujud			<i>Intangible assets</i>
Biaya legal terkait pembaruan hak atas tanah	50.404	53.127	<i>Legal costs to renew land rights</i>
Piranti lunak	<u>759.565</u>	<u>788.610</u>	<i>Software</i>
Jumlah	<u>809.969</u>	<u>841.737</u>	Total
Investasi saham tidak terdaftar di bursa	<u>1.687</u>	<u>20.654</u>	<i>Investment in non-listed shares</i>
Jumlah	<u>4.504.847</u>	<u>4.409.438</u>	Total

Amortisasi aset takberwujud

Amortization of intangible assets

Beban amortisasi aset takberwujud di tahun 2015 dan 2014 masing-masing sebesar Rp 213.194 juta dan Rp 140.938 juta.

Amortization of intangible assets for 2015 and 2014 amounted to Rp 213,194 million and Rp 140,938 million, respectively.

12. KAS DAN SETARA KAS

12. CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>	
Kas	<u>12.737</u>	<u>9.573</u>	<i>Cash on hand</i>
Bank			<i>Cash in banks</i>
Pihak berelasi			<i>Related parties</i>
Bank Rakyat Indonesia			<i>Bank Rakyat Indonesia</i>
Rupiah	8.222.873	6.798.423	<i>Rupiah</i>
US\$	684.829	1.172.673	<i>US\$</i>
JPY	755	2.514	<i>JPY</i>
EUR	72.381	282.805	<i>EUR</i>
Bank Mandiri			<i>Bank Mandiri</i>
Rupiah	3.747.226	2.975.548	<i>Rupiah</i>
US\$	356.308	713.118	<i>US\$</i>
EUR	89.005	171.781	<i>EUR</i>
JPY	1.057	3.547	<i>JPY</i>
Bank Negara Indonesia			<i>Bank Negara Indonesia</i>
Rupiah	3.315.716	3.997.858	<i>Rupiah</i>
US\$	316.790	448.599	<i>US\$</i>
JPY	2.192	135.566	<i>JPY</i>
CHF	6.511	5.873	<i>CHF</i>
EUR	108.266	339.810	<i>EUR</i>
Bank Tabungan Negara			<i>Bank Tabungan Negara</i>
Rupiah	2.898	29.360	<i>Rupiah</i>
Bank DKI			<i>Bank DKI</i>
Rupiah	905.042	898.540	<i>Rupiah</i>
US\$	62.992	38.842	<i>US\$</i>
JPY	<u>871</u>	<u>2.272</u>	<i>JPY</i>
Jumlah pihak berelasi	<u>17.895.712</u>	<u>18.017.129</u>	Total related parties

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12. KAS DAN SETARA KAS (lanjutan)

12. CASH AND CASH EQUIVALENTS (continued)

	2015	2014	
Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
Rupiah	2.054.778	3.250.243	<i>Rupiah</i>
US\$	117.179	406.643	<i>US\$</i>
JPY	69.025	46.182	<i>JPY</i>
Bank Maybank Indonesia (dahulu Bank Internasional Indonesia)			<i>Bank Maybank Indonesia (formerly Bank Internasional Indonesia)</i>
Rupiah	1.434	22.441	<i>Rupiah</i>
US\$	634	47.312	<i>US\$</i>
EUR	-	2.600	<i>EUR</i>
Bank Danamon			<i>Bank Danamon</i>
Rupiah	77.993	77.586	<i>Rupiah</i>
US\$	-	2.593	<i>US\$</i>
Bank Central Asia			<i>Bank Central Asia</i>
Rupiah	407.122	575.717	<i>Rupiah</i>
US\$	49.166	53.286	<i>US\$</i>
Deutsche Bank			<i>Deutsche Bank</i>
US\$	858.246	-	<i>US\$</i>
EUR	106	-	<i>EUR</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	73.771	151.929	<i>Rupiah</i>
US\$	5.704	633.669	<i>US\$</i>
EUR	13.896	6.683	<i>EUR</i>
Jumlah pihak ketiga	3.729.054	5.276.884	Total third parties
Jumlah kas dan bank	21.637.503	23.303.586	Total cash on hand and in banks
Setara kas - deposito berjangka			<i>Cash equivalents - time deposits</i>
Pihak berelasi			<i>Related parties</i>
Bank Rakyat Indonesia			<i>Bank Rakyat Indonesia</i>
Rupiah	651.986	1.092.593	<i>Rupiah</i>
Bank Negara Indonesia			<i>Bank Negara Indonesia</i>
Rupiah	360.000	631.562	<i>Rupiah</i>
Bank Mandiri			<i>Bank Mandiri</i>
Rupiah	237.553	511.772	<i>Rupiah</i>
Jumlah pihak berelasi	1.249.539	2.235.927	Total related parties
Pihak ketiga			<i>Third parties</i>
Bank Bukopin			<i>Bank Bukopin</i>
Rupiah	557.500	1.452.547	<i>Rupiah</i>
Lain-lain (masing-masing dibawah 5% dari jumlah)			<i>Others (each below 5% of total)</i>
Rupiah	150.112	4.722	<i>Rupiah</i>
US\$	1.685	114.746	<i>US\$</i>
Jumlah pihak ketiga	709.297	1.572.015	Total third parties
Jumlah deposito berjangka	1.958.836	3.807.942	Total time deposits
Jumlah Kas dan Setara Kas	23.596.339	27.111.528	Total Cash and Cash Equivalents
Tingkat bunga deposito berjangka per tahun			<i>Interest rate per annum on time deposits</i>
Rupiah	4,50% - 9,50%	6,79% - 8,80%	<i>Rupiah</i>
US\$	0,73% - 0,83%	2,25%	<i>US\$</i>

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12. KAS DAN SETARA KAS (lanjutan)

12. CASH AND CASH EQUIVALENTS (continued)

Rincian kas dan setara kas dalam mata uang asing adalah sebagai berikut:

Details of cash and cash equivalents in foreign currencies are as follows:

	<u>2015</u>		<u>2014</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	
US\$	177.856.702	2.453.533	291.919.659	3.631.481	US\$
JPY	645.274.365	73.900	1.823.340.554	190.081	JPY
EUR	18.823.038	283.654	53.106.807	803.679	EUR
Lain-lain **)	472.008	6.511	472.085	5.873	Others **)
Jumlah		<u>2.817.598</u>		<u>4.631.114</u>	Total

*) Dalam jumlah penuh

*) In full amount

**) Kas dan setara kas dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

**) Cash and cash equivalents in other currencies are presented in US\$ equivalents using the exchange rate prevailing at reporting date

13. INVESTASI JANGKA PENDEK

13. SHORT-TERM INVESTMENTS

	<u>2015</u>	<u>2014</u>	
Deposito berjangka			Time deposits
Pihak berelasi			Related parties
Bank Rakyat Indonesia Rupiah	50.000	84.100	Bank Rakyat Indonesia Rupiah
Bank Mandiri Rupiah	66.150	9.790	Bank Mandiri Rupiah
Jumlah pihak berelasi	<u>116.150</u>	<u>93.890</u>	Total related parties
Investasi lain-lain			Other investments
Rupiah	3.909	6.806	Rupiah
Jumlah investasi jangka pendek	<u>120.059</u>	<u>100.696</u>	Total short-term investments
Tingkat bunga deposito berjangka per tahun			Interest rate per annum on time deposits
Rupiah	6,5% - 7,25%	6,79% - 10,07%	Rupiah

Risiko kredit pada aset keuangan tersebut dianggap dapat diabaikan, sebab pihak lawan merupakan bank terkemuka dengan peringkat kredit eksternal berkualitas tinggi.

The credit risk on these financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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14. PIUTANG USAHA

14. TRADE ACCOUNTS RECEIVABLE

a. Berdasarkan langganan

a. By Debtor

	<u>2015</u>	<u>2014</u>	
Pihak berelasi			<i>Related parties</i>
Badan Usaha Milik Negara	571.894	584.802	<i>State-Owned Enterprises</i>
Cadangan kerugian penurunan nilai	<u>(2.806)</u>	<u>(2.543)</u>	<i>Allowance for impairment losses</i>
Jumlah piutang usaha pihak berelasi	<u>569.088</u>	<u>582.259</u>	<i>Total of related parties accounts receivable</i>
Pihak ketiga			<i>Third parties</i>
Umum	18.564.360	17.977.478	<i>Public</i>
TNI dan Polri	430.670	455.732	<i>Indonesian Armed Forces</i>
Institusi Pemerintah lainnya	<u>1.129.927</u>	<u>1.074.450</u>	<i>Other Government Institutions</i>
Sub jumlah	20.124.957	19.507.660	<i>Sub total</i>
Provisi kerugian penurunan nilai	<u>(859.818)</u>	<u>(595.052)</u>	<i>Provision for impairment losses</i>
Jumlah piutang usaha pihak ketiga	<u>19.265.139</u>	<u>18.912.608</u>	<i>Total of third parties account receivable</i>
Bersih	<u>19.834.227</u>	<u>19.494.867</u>	Net

b. Berdasarkan umur piutang usaha yang belum diturunkan nilainya

b. By age category of accounts receivable that are not impaired

	<u>2015</u>	<u>2014</u>	
Belum jatuh tempo	17.462.474	16.786.155	<i>Not yet due</i>
Lewat jatuh tempo			<i>Past due</i>
1 s/d 90 hari	1.553.524	2.290.877	<i>1 to 90 days</i>
91 s/d 360 hari	740.299	473.326	<i>91 to 360 days</i>
Lebih dari 360 hari	<u>940.554</u>	<u>542.104</u>	<i>More than 360 days</i>
Jumlah	<u>20.696.851</u>	<u>20.092.462</u>	Total
Mutasi provisi kerugian penurunan nilai			<i>Changes in provision for impairment losses</i>
Saldo awal tahun	(597.595)	(465.418)	<i>Balance at beginning of year</i>
Penambahan	(272.667)	(223.768)	<i>Additions</i>
Penghapusan	<u>7.638</u>	<u>91.591</u>	<i>Write-off</i>
Saldo akhir tahun	<u>(862.624)</u>	<u>(597.595)</u>	Balance at end of year

Piutang usaha Perusahaan, PLN Batam dan PLN Tarakan dijamin dengan uang jaminan langganan jika terjadi kegagalan pembayaran (Catatan 34).

The Company, PLN Batam and PLN Tarakan's accounts receivable are secured by the customers' security deposits in case of default (Note 34).

Provisi kerugian penurunan nilai dibentuk secara kolektif untuk seluruh piutang yang telah lewat jatuh tempo.

Provision for impairment losses was made collectively for all accounts receivable which are past due.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang adalah cukup. Pada tanggal 31 Desember 2015, jumlah piutang Perusahaan yang belum jatuh tempo dan tidak mengalami penurunan nilai adalah sebesar Rp 17.462.474 juta. Perusahaan berkeyakinan bahwa tidak ada risiko kredit kualitas yang buruk karena Perusahaan memiliki jumlah pelanggan yang besar, tersebar mencakupi segmen pasar dan area geografis yang luas di seluruh Indonesia. Kesimpulan ini didukung juga oleh data historis kolektibilitas Perusahaan atas piutang usaha yang baik selama beberapa tahun.

Management believes that the allowances made for impairment losses are adequate. At December 31, 2015, the Company has Rp 17,462,474 million accounts receivable balance that is neither past due nor impaired. The Company believes there is no heightened risk of poor credit quality of accounts receivable because it has a broad customer base, dispersed across varying market segments and geographic locations throughout Indonesia. This assessment is also supported by the Company's good historical collection rate of accounts receivable across the years.

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15. PIUTANG SUBSIDI LISTRIK

	<u>2015</u>
Tahun anggaran	
2014	12.280.861
2015	<u>5.220.148</u>
Jumlah	<u>17.501.009</u>

Dalam tahun 2015, Perusahaan telah menerima piutang subsidi listrik tahun anggaran 2014 sebesar Rp 7.000.000 juta.

Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Risiko kredit pada piutang subsidi listrik dianggap dapat diabaikan, sebab pihak lawan merupakan Pemerintah Indonesia.

15. RECEIVABLES ON ELECTRICITY SUBSIDY

	<u>2014</u>	
		<i>Budget years</i>
	19.280.861	<i>2014</i>
	-	<i>2015</i>
Jumlah	<u>19.280.861</u>	Total

In 2015, the Company collected receivables on electricity subsidy for budget year 2014 amounting to Rp 7,000,000 million.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The credit risk on receivables on electricity subsidy is considered negligible, since the counterparty is the Government of Indonesia.

16. PIUTANG LAIN-LAIN

	<u>2015</u>
Karyawan	354.756
Uang jaminan langganan	-
Lain-lain	<u>439.009</u>
Jumlah	793.765
Dikurangi bagian jangka pendek	<u>481.681</u>
Bagian jangka panjang	<u>312.084</u>

Uang Jaminan Langganan

Uang jaminan langganan merupakan piutang dari pelanggan yang melakukan penyambungan baru dan perubahan daya sejak 1 Januari 2011 hingga 30 Juni 2013. Pelayanan yang dilakukan tidak dikenakan uang jaminan langganan pada saat melakukan penyambungan baru. Pada tahun 2013, manajemen menerbitkan peraturan baru yang mensyaratkan uang jaminan langganan sehubungan dengan penyambungan tersebut. Pada tanggal 31 Desember 2015 dan 2014, Perusahaan mengakui jumlah piutang sebesar nihil dan Rp 41.111 juta dari penerapan peraturan baru tersebut.

Karyawan

Piutang karyawan merupakan pinjaman kepemilikan rumah. Pelunasan piutang dilakukan melalui pemotongan gaji.

Tidak ada kerugian penurunan nilai yang dicatat sehubungan dengan piutang di atas. Tidak ada jumlah yang diklasifikasikan sebagai lewat jatuh tempo sehubungan dengan piutang tersebut. Manajemen Perusahaan berpendapat bahwa piutang tersebut dapat tertagih.

16. OTHER RECEIVABLES

	<u>2014</u>	
	396.728	
	41.111	<i>Employees</i>
	<u>750.494</u>	<i>Customers' security deposits</i>
		<i>Others</i>
Jumlah	1.188.333	Total
Dikurangi bagian jangka pendek	<u>866.948</u>	<i>Less current portion</i>
Bagian jangka panjang	<u>321.385</u>	Long-term portion

Customers' Security Deposits

Customers security deposits represent receivables from customers for new electricity connections and electricity power upgrades from January 1, 2011 through June 30, 2013. These services were not subject to security deposits at the time of connection. In 2013, management issued a new regulation requiring customers deposits for those connections. As of December 31, 2015 and 2014, the Company recognized total outstanding receivables of nil and Rp 41,111 million, respectively, as a result of the implementation of the new regulation.

Employees

Account receivables from employees represent housing loans, which are paid monthly through salary deduction.

No impairment loss has been recorded in relation to the receivables mentioned above. No amounts in relation to these receivables are classified as past due. The Company's management considers these receivables to be collectible.

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17. PERSEDIAAN

17. INVENTORIES

	<u>2015</u>	<u>2014</u>	
Batubara, bahan bakar dan pelumas	7.165.500	7.895.486	<i>Coal, fuel and lubricants</i>
Persediaan umum	2.602.706	2.232.145	<i>General supplies</i>
Switchgear dan jaringan	1.020.159	841.845	<i>Switchgear and network</i>
Alat pengukur dan pengendali	539.591	485.422	<i>Meter recording device and control equipment</i>
Transformator	126.404	189.428	<i>Transformers</i>
Kabel	<u>77.056</u>	<u>78.145</u>	<i>Wire</i>
Jumlah	11.531.416	11.722.471	<i>Total</i>
Provisi penurunan nilai	<u>(115.553)</u>	<u>(114.611)</u>	<i>Provision for impairment</i>
Bersih	<u>11.415.863</u>	<u>11.607.860</u>	<i>Net</i>
Mutasi penyisihan penurunan nilai			<i>Changes in provision for impairment</i>
Saldo awal tahun	(114.611)	(138.746)	<i>Balance at beginning of year</i>
Pemulihan (penambahan)	<u>(942)</u>	<u>24.135</u>	<i>Recovery (additions)</i>
Saldo akhir tahun	<u>(115.553)</u>	<u>(114.611)</u>	<i>Balance at end of year</i>

Manajemen berpendapat bahwa penyisihan yang ditetapkan memadai untuk menutup risiko penurunan nilai persediaan.

Management believes that the allowance is adequate to cover possible losses on the decline in value of inventories.

Perusahaan dan entitas anak tidak mengasuransikan persediaan untuk menutup risiko atas kemungkinan kerugian yang timbul pada persediaan.

The Company and its subsidiaries do not have any insurance coverage to cover the possible losses in inventories.

18. PAJAK DIBAYAR DIMUKA

18. PREPAID TAXES

	<u>2015</u>	<u>2014</u>	
Pajak penghasilan badan lebih bayar			<i>Overpayment of corporate income tax</i>
Perusahaan			<i>The Company</i>
2015	2.323.797	-	<i>2015</i>
2014	147.993	147.993	<i>2014</i>
2013	-	1.998.693	<i>2013</i>
2012	-	130.775	<i>2012</i>
Entitas anak			<i>Subsidiaries</i>
2015	126.990	-	<i>2015</i>
2014	-	84.704	<i>2014</i>
2013	-	79.484	<i>2013</i>
Pembayaran dimuka atas Surat Ketetapan			<i>Prepayment of Tax Assessment Letter</i>
Pajak Kurang Bayar	2.109.238	2.164.451	<i>for Underpayment</i>
Bea materai	19.156	-	<i>Stamp duty</i>
Pajak pertambahan nilai	<u>538.271</u>	<u>283.363</u>	<i>Value added tax</i>
Jumlah	<u>5.265.445</u>	<u>4.889.463</u>	<i>Total</i>

Lihat Catatan 47 untuk informasi mengenai beban pajak penghasilan dan surat ketetapan pajak.

Refer to Note 47 for income tax expense information and tax assessment letters.

19. BIAYA DIBAYAR DIMUKA DAN UANG MUKA

19. PREPAID EXPENSES AND ADVANCES

	<u>2015</u>	<u>2014</u>	
Biaya dibayar dimuka			<i>Prepaid expenses</i>
Premi asuransi	182.638	156.746	<i>Insurance</i>
Sewa	155.437	150.024	<i>Rent</i>
Gaji dan tunjangan	5.825	10.358	<i>Salaries and allowances</i>
Lain-lain	<u>-</u>	<u>214.234</u>	<i>Others</i>
Sub jumlah	<u>343.900</u>	<u>531.362</u>	<i>Sub total</i>
Uang muka			<i>Advances</i>
Pembelian barang	183.514	832.183	<i>Purchases</i>
Lain-lain	<u>531.087</u>	<u>425.179</u>	<i>Others</i>
Sub jumlah	<u>714.601</u>	<u>1.257.362</u>	<i>Sub total</i>
Jumlah	<u>1.058.501</u>	<u>1.788.724</u>	<i>Total</i>

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20. MODAL SAHAM DAN SALDO LABA

Modal saham

Seluruh saham Perusahaan dimiliki oleh Pemerintah Republik Indonesia.

Perusahaan mempunyai modal dasar sebesar Rp 63.000.000 juta yang terbagi atas 63.000.000 saham dengan nilai nominal Rp 1 juta per saham.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa tanggal 18 Juli 2001, sebagaimana dinyatakan dalam Akta No. 43 tanggal 26 Oktober 2001 dari Haryanto, S.H., notaris di Jakarta, pemegang saham menyetujui antara lain:

- Melakukan konversi utang Perusahaan kepada Pemerintah sebesar Rp 28.781.355 juta, yang berasal dari tunggakan bunga dan denda penerusan pinjaman menjadi tambahan penyertaan modal Pemerintah. Konversi utang menjadi penyertaan modal telah memperoleh persetujuan Menteri Keuangan Republik Indonesia sesuai surat No. S-352/MK.06/2001 tanggal 20 Juni 2001.
- Meningkatkan modal ditempatkan dan disetor sebesar Rp 28.781.354 juta, sehingga modal ditempatkan dan disetor Perusahaan menjadi sebesar Rp 46.107.154 juta, terbagi atas 46.107.154 saham dengan nilai nominal Rp 1 juta per saham.

Pada tanggal 1 Agustus 2001, tambahan penyertaan modal Pemerintah tersebut telah ditetapkan dalam Peraturan Pemerintah No. 61 tahun 2001.

Pada tanggal 4 Maret 2011, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 20 tahun 2011 sehubungan dengan tambahan penyertaan modal Pemerintah pada Perusahaan sebanyak 90.226 saham atau sebesar Rp 90.226 juta. Tambahan penyertaan modal Pemerintah tersebut dilakukan dengan cara mengalihkan seluruh saham milik Pemerintah pada PT Pelayaran Bahtera Adhiguna.

20. CAPITAL STOCK AND RETAINED EARNINGS

Capital stock

The Company's shares of stock are wholly owned by the Government of the Republic of Indonesia.

The Company has authorized capital of Rp 63,000,000 million consisting of 63,000,000 shares, with par value of Rp 1 million per share.

Based on The Extraordinary Stockholders' General Meeting dated July 18, 2001, as stated in Deed No. 43 dated October 26, 2001 of Haryanto, S.H., notary in Jakarta, the stockholders approved among other items as follow:

- *Converting the Company's liability to the Government of Rp 28,781,355 million, which arose from overdue interest and penalty on two-step loans, into Government Equity Participation. The conversion was approved by the Minister of Finance of the Republic of Indonesia in its decision letter No. S-352/MK.06/2001 dated June 20, 2001.*
- *Increasing the subscribed and paid-up capital by Rp 28,781,354 million, resulting in the Company's total subscribed and paid-up capital of Rp 46,107,154 million consisting of 46,107,154 shares with par value of Rp 1 million per share.*

On August 1, 2001, the Government issued Government Regulation No. 61 year 2001 in relation to the increase in Government equity participation in the Company.

On March 4, 2011, the Government of the Republic of Indonesia issued Government Regulation No. 20 year 2011 relating to the increase in the Government's equity participation in the Company, consisting of 90,226 shares or an equivalent of Rp 90,226 million. The increase in the Government's equity participation in the Company is through the transfer of the Government's share in PT Pelayaran Bahtera Adhiguna.

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20. MODAL SAHAM DAN SALDO LABA (lanjutan)

Modal saham (lanjutan)

Berdasarkan keputusan pemegang saham Perusahaan di luar Rapat Umum Pemegang Saham No. KEP-118/MBU/2011 tanggal 27 Mei 2011, sebagaimana tercantum dalam akta notaris No. 4 tanggal 5 Agustus 2011 dari Lenny Janis Ishak, S.H., notaris di Jakarta, pemegang saham menyetujui pengeluaran saham baru Perusahaan untuk diambil bagian oleh Pemerintah Republik Indonesia sebesar Rp 90.226 juta atau sebanyak 90.226 saham. Penambahan penerbitan saham kepada Pemerintah Republik Indonesia berasal dari pengalihan 21.674 saham milik Pemerintah Republik Indonesia pada PT Pelayaran Bahtera Adhiguna kepada Perusahaan. Keputusan ini mulai berlaku sejak tanggal penandatanganan akta pengalihan saham PT Pelayaran Bahtera Adhiguna dari Pemerintah Republik Indonesia kepada Perusahaan di tahun 2011.

Saldo laba

Saldo laba terdiri dari:

i. Saldo laba yang ditentukan penggunaannya

Berdasarkan Undang-Undang Perseroan Terbatas, Perusahaan diharuskan untuk membuat penyisihan cadangan wajib hingga sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh.

Berdasarkan Risalah Rapat Umum Pemegang Saham (RUPS) No. RIS-53/D2.MBU/05/2015, terdapat saldo laba tahun lalu yang ditetapkan sebagai cadangan umum sebesar Rp 7.763.965 juta.

Saldo laba yang dicadangkan pada tanggal 31 Desember 2015 dan 2014 adalah sebesar Rp 26.872.493 juta dan Rp 19.108.528 juta atau 58% dan 41% dari jumlah modal yang ditempatkan dan disetor penuh.

ii. Saldo laba yang tidak ditentukan penggunaannya

Berdasarkan hasil dari penyajian kembali yang dilakukan karena penerapan PSAK 24 secara retrospektif, saldo laba yang tidak ditentukan penggunaannya pada tanggal 31 Desember 2015 dan 2014 adalah masing-masing sebesar Rp 41.222.131 juta dan Rp 46.937.969 juta.

Dividen per lembar saham

Pada tahun 2015, Perusahaan membagikan total dividen kas untuk tahun 2014 sejumlah Rp 3.962.441 juta atau Rp 85.772 (nilai penuh) per lembar saham.

**20. CAPITAL STOCK AND RETAINED EARNINGS
(continued)**

Capital stock (continued)

Based on the decision of the Company's shareholders at the General Shareholders Meeting No. KEP-118/MBU/2011, dated May 27, 2011, as stated in Deed No. 4, dated August 5, 2011 of Lenny Janis Ishak, S.H., notary in Jakarta, the stockholders approved the new issuance of the Company's shares as stocks to the Government of Republic of Indonesia in the amount of Rp 90,226 million, equivalent to 90,226 shares. The additional issuance of shares to the Government of the Republic of Indonesia is for the planned transfer of 21,674 shares in PT Pelayaran Bahtera Adhiguna belonging to the Government in PT Pelayaran Bahtera Adhiguna to the Company. The Decision has been effective since the date the Company received the Deed of Transfer of PT Pelayaran Bahtera Adhiguna shares from the Government of the Republic of Indonesia to the Company in 2011.

Retained earnings

Retained earnings consist of:

i. Appropriated retained earnings

Under Indonesian Limited Company Law, the Company is required to establish a statutory reserve amounting to at least 20% of the Company's subscribed and paid up capital.

Based on the Minutes of Shareholder's Meeting No. RIS-53/D2.MBU/05/2015, there is an addition of appropriated retained earning amounting to Rp 7,763,965 million.

The balance of the appropriated retained earnings as at December 31, 2015 and 2014 is Rp 26,872,493 million and Rp 19,108,528 million or 58% and 41% of the Company's subscribed and paid up capital.

ii. Unappropriated retained earnings

Based on the result of restatement made due to the retrospective application of SFAS 24, the balances of the unappropriated retained earnings as at December 31, 2015 and 2014 are Rp 41,222,131 million and Rp 46,937,969 million, respectively.

Dividends per share

In 2015, the Company paid a total cash dividend for 2014 of Rp 3,962,441 million or Rp 85,772 (full amount) per share.

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**21. TAMBAHAN MODAL DISETOR DAN
PENYERTAAN MODAL NEGARA DALAM
PROSES PENERBITAN SAHAM**

A. TAMBAHAN MODAL DISETOR

Tambahan modal disetor merupakan tambahan penyertaan modal Pemerintah yang diterima Perusahaan yang statusnya belum ditetapkan, dengan rincian sebagai berikut:

	<u>2015</u>	<u>2014</u>
Bantuan proyek	16.706.712	16.706.712
Daftar Isian Pelaksanaan Anggaran	31.722.223	34.512.089
Bantuan pemerintah daerah dan lainnya	<u>1.278.092</u>	<u>1.278.092</u>
Jumlah	<u>49.707.027</u>	<u>52.496.893</u>

Bantuan proyek merupakan bantuan luar negeri untuk bidang kelistrikan yang diteruskan Pemerintah Republik Indonesia kepada Perusahaan.

Daftar Isian Pelaksanaan Anggaran merupakan penerimaan dari Pemerintah Republik Indonesia dalam bentuk proyek kelistrikan melalui Departemen Pertambangan dan Energi.

Bantuan pemerintah daerah antara lain berupa tanah dan jaringan listrik yang disumbangkan kepada Perusahaan.

Jumlah aset yang didonasikan oleh Pemerintah Republik Indonesia yang telah dicatat sebagai penambahan aset tetap dan tambahan modal disetor sepanjang tahun 2015 dan 2014 masing-masing sebesar Rp 1.678.761 juta dan Rp 2.595.489 juta.

**B. PENYERTAAN MODAL NEGARA DALAM
PROSES PENERBITAN SAHAM**

Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 42 tahun 2015 dan No. 125 tahun 2015 sehubungan dengan penambahan modal saham (Penyertaan Modal Pemerintah) sebesar masing-masing Rp 4.468.627 juta dan Rp 5.000.000 juta. Sejumlah Rp 4.468.627 juta direklasifikasi dari tambahan modal disetor. Perusahaan telah menerima Rp 5.000.000 juta di tahun 2015.

22. PENDAPATAN DITANGGUHKAN

Akun ini merupakan penerimaan dari pelanggan yang mana jasa penyambungan terkait belum diselesaikan oleh Perusahaan dan entitas anak. Rincian pendapatan ditangguhkan adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Saldo awal tahun	1.306.976	990.913
Penerimaan tahun berjalan	6.368.062	5.939.976
Diakui sebagai pendapatan tahun berjalan	<u>(6.141.335)</u>	<u>(5.623.913)</u>
Saldo akhir tahun	<u>1.533.703</u>	<u>1.306.976</u>

**21. ADDITIONAL PAID-IN CAPITAL AND STOCK
SUBSCRIPTION FROM GOVERNMENT IN
ISSUANCE PROCESS**

A. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents the Government's additional equity participation received by the Company of which the status has not been determined, with the following details:

	<u>2015</u>	<u>2014</u>
Bantuan proyek	16.706.712	16.706.712
Daftar Isian Pelaksanaan Anggaran	31.722.223	34.512.089
Bantuan pemerintah daerah dan lainnya	<u>1.278.092</u>	<u>1.278.092</u>
Jumlah	<u>49.707.027</u>	<u>52.496.893</u>

Project aid represents overseas aid for electricity projects, which was channelled by the Government of the Republic of Indonesia to the Company.

The List of Project Fund represents electricity projects received from the Government of the Republic of Indonesia through the Department of Mining and Energy.

Regional government participation represents land rights and electricity equipment donated by the regional government to the Company.

The total amount of assets contributed by the Government of the Republic of Indonesia that have been recognized as additions to property, plant and equipment and additional-paid-in capital in 2015 and 2014 amounted to Rp 1,678,761 million and Rp 2,595,489 million, respectively.

**B. STOCK SUBSCRIPTION FROM
GOVERNMENT IN ISSUANCE PROCESS**

The Government of the Republic of Indonesia issued Government Regulation No. 42 year 2015 and No. 125 year 2015 regarding additional capital stock (Government's equity participation) amounting to Rp 4,468,627 million and Rp 5,000,000 million, respectively. An amount of Rp 4,468,627 million was reclassified from additional paid-in capital. The Company has received Rp 5,000,000 million in the year 2015.

22. DEFERRED REVENUE

This account represents connection fees received from customers for which the connection services have not been completed by the Company and its subsidiaries. Details of the deferred revenue balance are as follows:

	<u>2015</u>	<u>2014</u>
Saldo awal tahun	1.306.976	990.913
Penerimaan tahun berjalan	6.368.062	5.939.976
Diakui sebagai pendapatan tahun berjalan	<u>(6.141.335)</u>	<u>(5.623.913)</u>
Saldo akhir tahun	<u>1.533.703</u>	<u>1.306.976</u>

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23. PENERUSAN PINJAMAN

23. TWO-STEP LOANS

Akun ini merupakan pinjaman luar negeri Pemerintah Republik Indonesia yang tidak diikat jaminan dan diteruskan kepada Perusahaan untuk membiayai proyek-proyek Perusahaan. Rincian penerusan pinjaman adalah sebagai berikut:

This account represents overseas, collateral-free loans of the Government of the Republic of Indonesia which are re-loaned to the Company to finance its projects. The details of the two-step loans are as follows:

31 Desember/December 31, 2015							
Dalam mata uang asing/ <i>In foreign currencies *)</i>	Jumlah/ <i>Amount</i>	Bagian jatuh tempo dalam satu tahun/ <i>Current maturities</i>	Bagian jangka panjang/ <i>Long-term portion</i>	Tingkat bunga per tahun/ <i>Interest rate per annum</i>	Periode/ <i>Period</i>		
				%	Tahun/Year		
International Bank for Reconstruction and Development (IBRD)							
US\$							
IBRD - 4712 & 7758 IND - 1165	66.540.782	917.930	124.825	793.105	IBRD + 0,5%	2004 - 2023	
IBRD - 7905 IND - 1235	18.684.626	257.754	-	257.754	IBRD + 0,5%	2010 - 2034	
IBRD - 7940 IND - 1238	87.699.511	1.209.815	-	1.209.815	IBRD + 0,5%	2011 - 2034	
IBRD - 8057 IND - 1244	28.781.237	397.037	-	397.037	IBRD + 0,5%	2012 - 2035	
IBRD - 8280 ID - 1256	3.534.667	48.761	-	48.761	LIBOR + 0,5%	2014 - 2034	
Asian Development Bank (ADB)							
Rupiah							
ADB - 1032 INO - 540	-	85.751	85.751	-	ADB + 2,75%	1991 - 2016	
ADB - 1092 INO - 580	-	29.863	29.863	-	ADB + 3,75%	1991 - 2016	
US\$							
ADB - 1982 INO - 1170	129.715.100	1.789.420	82.561	1.706.859	ADB + 0,5%	2004 - 2027	
ADB - 1983 INO - 1171	88.105.116	1.215.410	56.077	1.159.333	ADB + 0,5%	2004 - 2027	
ADB - 2619 INO - 1236	39.022.105	538.310	7.285	531.025	ADB + 0,6% - 0,4% + 0,5%	2010 - 2035	
ADB - 3015 INO - 1255	24.547.135	338.628	-	338.628	ADB + 0,60% + 0,5%	2014 - 2033	
ADB - 3083 INO - 1257	207.285	2.859	-	2.859	LIBOR + 0,60% + 0,5%	2014 - 2033	
ADB - 8276 INO - 1258	22.881	316	-	316	LIBOR + 1,40% + 0,5%	2014 - 2033	
Kreditanstalt Fur Wiederaufbau, Jerman (KfW)							
EUR							
KfW - 95.65.136 - 934a	5.409.742	81.522	16.304	65.218	0,75% - 2% dan/and KfW + 0,35%	1996 - 2020	
KfW - 9024 - 1157	2.999.936	45.208	45.208	-	KfW + 0,35% dan/and OECD + 0,35%	2002 - 2016	
KfW - 10599 IND - 1179	5.888.476	88.737	35.495	53.242	4,86% + 0,35%	2003 - 2018	
US\$							
KfW - 10598 IND - 1183	3.297.693	45.492	30.328	15.164	4,75% + 0,35%	2004 - 2017	
Japan Bank for International Cooperation (d/h The Export-Import Bank of Japan)							
Yen							
JBIC IP 512 - 1163	47.546.784.000	5.445.257	302.514	5.142.743	1,8% + 0,35%	2004 - 2033	
JBIC IP 513 - 1164	14.511.132.000	1.661.876	92.326	1.569.550	1,8% + 0,35%	2004 - 2033	
JBIC IP 515 - 1177	51.132.479.348	5.855.906	323.116	5.532.790	1,3% + 0,35%	2004 - 2034	
JBIC IP 516 - 1196	521.721.000	59.750	2.096	57.654	0,75% + 0,35%	2004 - 2044	
JBIC IP 517 - 1178	4.517.356.107	517.347	18.158	499.189	0,75% + 0,35%	2004 - 2044	
JBIC IP 518 - 1187	876.004.726	100.324	28.664	71.660	2,01% + 1,99% + 0,35%	2004 - 2019	
JBIC IP 525 - 1197	15.541.780.000	1.779.910	60.336	1.719.574	0,75% + 0,35%	2005 - 2045	
JBIC IP 526 - 1198	655.189.398	75.035	2.544	72.491	0,75% + 0,35%	2005 - 2045	
JBIC IP 527 - 1211	9.677.262.639	1.108.281	-	1.108.281	1,75%	2007 - 2037	
JBIC IP 532 - 1214	1.051.576.175	120.431	-	120.431	1,2%	2006 - 2047	
JBIC IP 537 - 1220	284.232.810	32.552	-	32.552	1,95%	2009 - 2037	
JBIC IP 538 - 1221	10.875.225.119	1.245.476	-	1.245.476	1,20%	2009 - 2047	
JBIC IP 539 - 1222	8.747.820.071	1.001.837	-	1.001.837	1,95%	2009 - 2037	
JBIC IP 555 - 1231	1.412.791.775	161.799	-	161.799	0,12%	2013 - 2039	
JBIC IP 556 - 1249	995.491.632	114.008	-	114.008	1,4% + 0,45%	2013 - 2040	
JBIC IP 560 - 1253	138.158.006	15.822	-	15.822	0,3% + 0,45% dan/and 0,01% + 0,45%	2013 - 2053	
JBIC IP - 1243	2.590.537.998	296.679	53.140	243.539	1,82% + 1,04% + 0,45%	2012 - 2022	
JBIC IP - 1188	373.053.863	42.723	14.241	28.482	2,01% + 2,01% dan/and 4,02% + 0,35%	2005 - 2018	
JBIC IP - 1192	4.631.047.835	530.367	212.147	318.220	1,96% + 2,51% dan/and 4,47% + 0,5%	2005 - 2018	
JBIC LA No 1 - 1216	4.530.437.524	518.845	120.872	397.973	4,41%	2008 - 2020	
JBIC LA No 2 - 1219	1.379.665.104	158.005	54.241	103.764	3,9%	2008 - 2018	
JBIC LA No 3 - 1233	654.447.547	74.950	18.662	56.288	3,91%	2010 - 2020	
JBIC LA No 4 - 1234	2.050.441.100	234.825	60.210	174.615	3,74%	2010 - 2020	
JBIC LA No 5 - 1218	3.614.286.318	413.923	83.569	330.354	3,98%	2008 - 2020	
Midland Bank Public Limited Company							
Rupiah							
Midland Bank - 798	-	74.682	14.936	59.746	SUN seri dengan jangka waktu 20 tahun/ SUN series with tenor 20 years	1995 - 2020	
Midland Bank - 818	-	6.173	1.372	4.801	SUN seri dengan jangka waktu 20 tahun/ SUN series with tenor 20 years	1995 - 2020	
Banque Paribas							
GBP							
Banque Paribas - 1063	7.084.795	144.892	20.699	124.193	3,34% + 0,35%	1998 - 2022	
EUR							
Banque Paribas - 1158	10.473.374	157.829	39.240	118.589	7,89% + 0,35%	2002 - 2018	
Banque Paribas - 1176	4.339.034	65.388	26.155	39.233	4,76% + 0,35%	2004 - 2018	
Calyon and BNP Paribas							
EUR							
Calyon BNP Paribas - 1175	2.013.031	30.336	10.112	20.224	5,32% + 0,35%	2004 - 2018	
BNP Paribas & Calyon 1206	23.142.769	348.753	77.502	271.251	4,81%	2006 - 2020	
Kerajaan Belgia/Kingdom of Belgium							
EUR							
Kerajaan Belgia - 1185	2.033.259	30.640	1.702	28.938	0,35%	2005 - 2033	
Fortis Bank Belgia - 1186	468.952	7.067	4.711	2.356	4,82% + 0,35%	2005 - 2017	
Efic Australia - 1071 AUD	9.376.548	94.367	14.518	79.849	3% + 0,5%	1997 - 2022	
China Exim Bank							
US\$							
China Exim Bank 1181	55.724.819	768.724	256.241	512.483	China Exim Bank 3% + 0,35%	2003 - 2018	
China Exim Bank 1248	44.212.212	609.907	-	609.907	3% + 0,35%	2013 - 2033	
Magyar Kulkereskedelmi Bank RT - (MKB - Hungaria) 1180 - US\$	1.567.760	21.627	8.651	12.976	4,81% + 0,35%	2005 - 2018	
Agence Francaise De Developpement (AFD)							
US\$							
AFD 101901F - 1237	29.121.875	401.736	68.975	332.761	AFD + 0,47% + 0,45%	2010 - 2025	
AFD 102401B - 1254	21.001.907	289.721	-	289.721	AFD + 0,7% + 0,45%	2013 - 2028	
		31.710.583	2.505.347	29.205.236			

*) Dalam jumlah penuh/In full amount

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23. PENERUSAN PINJAMAN (lanjutan)

23. TWO-STEP LOANS (continued)

	31 Desember/December 31, 2014					Tingkat bunga per tahun/ Interest rate per annum %	Periode/ Period Tahun/Year
	Dalam mata uang asing/ In foreign currencies *)	Jumlah/ Amount	Bagian jatuh tempo dalam satu tahun/ Current maturities	Bagian jangka panjang/ Long-term portion			
International Bank for Reconstruction and Development (IBRD)							
US\$							
IBRD - 3845 IND - 812	7.845.042	97.592	97.592	-		IBRD + 0,5%	1995 - 2015
IBRD - 3978 IND - 893	13.352.281	166.102	166.102	-		IBRD + 0,5%	1996 - 2016
IBRD - 4712 & 7758 IND - 1165	75.431.470	938.367	110.600	827.767		IBRD + 0,5%	2004 - 2023
IBRD - 7905 IND - 1235	18.675.969	232.329	-	232.329		IBRD + 0,5%	2010 - 2034
IBRD - 7940 IND - 1238	58.013.178	721.684	-	721.684		IBRD + 0,5%	2011 - 2034
IBRD - 8057 IND - 1244	4.090.084	50.881	-	50.881		IBRD + 0,5%	2012 - 2035
IBRD - 8280 ID - 1256	-	-	-	-		LIBOR + Var Spread + 0,5%	2014 - 2034
Asian Development Bank (ADB)							
Rupiah							
ADB - 1032 INO - 540	-	163.530	77.779	85.751		ADB + 2,75%	1991 - 2016
ADB - 1092 INO - 580	-	59.725	29.862	29.863		ADB + 3,75%	1991 - 2016
US\$							
ADB - 1397 INO - 878	13.796.135	171.624	171.624	-		ADB + 0,5%	1995 - 2015
ADB - 1982 INO - 1170	135.135.356	1.681.084	67.428	1.613.656		ADB + 0,5%	2004 - 2027
ADB - 1983 INO - 1171	91.786.663	1.141.826	45.798	1.096.028		ADB + 0,5%	2004 - 2027
ADB - 2619 INO - 1236	25.304.046	314.782	-	314.782		ADB + 0,6% - 0,4% + 0,5%	2010 - 2035
ADB - 3015 INO - 1255	18.186.123	226.235	-	226.235		ADB + 0,60% + 0,5%	2014 - 2033
Kreditanstalt Fur Wiederaufbau, Jerman (KfW)							
EUR							
KfW - 95.65.136 - 934a	6.491.647	98.239	16.373	81.866	1,25% - 5,36% dan/and KfW + 0,5%		1996 - 2020
KfW - 9024 - 1157	5.999.845	90.798	45.399	45.399	1,25% - 5,36% dan/and KfW + 0,5%		2002 - 2016
KfW - 10599 IND - 1179	8.243.831	124.756	35.645	89.111	4,86% + 0,5%		2003 - 2018
US\$							
KfW - 10598 IND - 1183	5.496.154	68.372	27.349	41.023	4,75% + 0,5%		2004 - 2017
Japan Bank for International Cooperation (d/h The Export-Import Bank of Japan)							
Yen							
JBIC IP 512 - 1163	50.188.272.000	5.232.067	275.372	4.956.695		1,8% + 0,5%	2004 - 2033
JBIC IP 513 - 1164	15.317.306.000	1.596.811	84.043	1.512.768		1,8% + 0,5%	2004 - 2033
JBIC IP 515 - 1177	53.896.397.151	5.618.635	288.135	5.330.500		1,3% + 0,5%	2004 - 2034
JBIC IP 516 - 1196	540.027.000	56.297	1.908	54.389		0,75% + 0,5%	2005 - 2044
JBIC IP 517 - 1178	4.517.356.107	470.929	-	470.929		0,75% + 0,5%	2004 - 2044
JBIC IP 518 - 1187	1.126.291.790	117.415	26.092	91.322		2,01% + 1,99% + 0,5%	2004 - 2019
JBIC IP 525 - 1197	16.068.683.783	1.675.141	54.922	1.620.219		0,75% + 0,5%	2005 - 2045
JBIC IP 526 - 1198	677.399.208	70.618	2.315	68.303		0,75% + 0,5%	2005 - 2045
JBIC IP 527 - 1211	9.620.205.639	1.002.895	-	1.002.895		1,80%	2007 - 2037
JBIC IP 532 - 1214	998.253.477	104.067	-	104.067		1,25%	2006 - 2047
JBIC IP 537 - 1220	260.681.092	27.176	-	27.176		2%	2009 - 2037
JBIC IP 538 - 1221	8.992.547.059	937.462	-	937.462		1,25%	2009 - 2047
JBIC IP 539 - 1222	3.652.714.350	380.791	-	380.791		2%	2009 - 2037
JBIC IP 555 - 1231	1.140.925.306	118.940	-	118.940		0,012%	2010 - 2039
JBIC IP - 1188	497.405.153	51.854	12.963	38.891		2,01% + 2,01% + 0,5%	2005 - 2018
JBIC IP - 1192	6.483.466.965	675.894	193.113	482.781		1,96% + 2,51% + 0,5%	2005 - 2018
JBIC LA No 1 - 1216	5.585.863.524	582.320	110.027	472.293		3,96% + 0,5%	2008 - 2020
JBIC LA No 2 - 1219	1.853.289.104	193.203	49.375	143.828		3,45% + 0,5%	2008 - 2018
JBIC LA No 3 - 1233	817.403.547	85.213	16.988	68.225		3,96%	2010 - 2020
JBIC LA No 4 - 1234	2.576.183.100	268.564	54.808	213.756		3,79%	2010 - 2020
JBIC LA No 5 - 1218	4.343.992.318	452.856	76.071	376.785		3,53% + 0,5%	2008 - 2020
JBIC IP - 1243	1.643.426.200	171.326	36.279	135.047		1,82% + 1,04% + 0,5%	2012 - 2022
Midland Bank Public Limited Company							
Rupiah							
Midland Bank - 798	-	89.619	14.937	74.682		SBI + 1%	1995 - 2020
Midland Bank - 818	-	7.545	1.372	6.173		SBI + 1%	1995 - 2020
Banque Paribas							
GBP							
Banque Paribas - 1063	8.096.930	156.840	19.605	137.235		3,34% + 0,5%	1998 - 2022
EUR							
Banque Paribas - 1158	14.353.745	217.219	58.723	158.496		7,89% + 0,5%	2002 - 2018
Banque Paribas - 1176	6.074.622	91.929	26.265	65.664		4,76% + 0,5%	2004 - 2018
Calyon and BNP Paribas							
EUR							
Calyon BNP Paribas - 1175	2.684.030	40.618	10.155	30.464		5,32% + 0,5%	2004 - 2018
BNP Paribas & Calyon 1206	28.285.485	428.052	77.828	350.224		4,46% + 0,5%	2006 - 2020
Kerajaan Belgial/Kingdom of Belgium							
EUR							
Kerajaan Belgia - 1185	2.146.209	32.479	3.419	29.060		0,50%	2005 - 2033
Fortis Bank Belgia - 1186	781.583	11.828	4.731	7.097		4,82% + 0,5%	2005 - 2017
Efic Australia - 1071 AUD	10.819.093	110.552	14.741	95.811		4%	1997 - 2022
China Exim Bank							
US\$							
China Exim Bank 1181	74.299.758	924.289	231.072	693.217		3% + 0,5%	2003 - 2018
China Exim Bank 1248	15.741.837	195.828	-	195.828		3% + 0,5%	2013 - 2033
MKB Hungaria 1180 - US\$	2.194.864	27.304	7.801	19.503		4,81% + 0,5%	2005 - 2018
Agence Francaise De Developpement (AFD)							
US\$							
AFD 101901F - 1237	24.157.672	300.521	-	300.521		AFD + 0,47% + 0,5%	2010 - 2025
AFD 102401B - 1254	18.059.547	224.661	-	224.661		LIBOR + 0,89% + 0,5%	2013 - 2028
	<u>29.097.684</u>	<u>2.644.611</u>	<u>26.453.073</u>				

*) Dalam jumlah penuh/In full amount

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23. PENERUSAN PINJAMAN (lanjutan)

Perusahaan melakukan pembayaran pokok dan bunga penerusan pinjaman sesuai dengan jadwal pembayaran dan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian penerusan pinjaman.

Rincian penerusan pinjaman dalam mata uang asing adalah sebagai berikut:

23. TWO-STEP LOANS (continued)

The Company made payments of principal and interest on the two-step loans in accordance with the schedule of payment and complied with the restrictions specified within the agreements of the two-step loans.

Details of the two-step loans in foreign currencies are as follows:

	2015		2014		
	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen Rp/ Rp equivalent	Dalam mata uang asing/ In foreign currencies *)	Ekuivalen Rp/ Rp equivalent	
US\$	641.786.711	8.853.447	601.566.179	7.483.483	US\$
JPY	188.308.922.095	21.565.928	190.798.089.873	19.890.472	JPY
EUR	56.768.573	855.480	75.060.997	1.135.918	EUR
Lain-lain **)	17.343.893	239.259	21.494.548	267.392	Others **)
Jumlah		31.514.114		28.777.265	Total

*) Dalam jumlah penuh
**) Penerusan pinjaman dalam mata uang asing lainnya disajikan dalam jumlah setara US\$, menggunakan kurs tanggal pelaporan

*) In full amount
**) Two-step loans denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at the reporting date

24. UTANG KEPADA PEMERINTAH DAN LEMBAGA KEUANGAN PEMERINTAH NON BANK

24. GOVERNMENT AND NON BANK GOVERNMENT FINANCIAL INSTITUTION LOANS

	2015	2014	
Rekening Dana Investasi No. RDI-393/DP3/2001	1.294.602	1.515.015	Investment Fund Account No. RDI-393/DP3/2001
PT Sarana Multi Infrastruktur	7.193.884	-	PT Sarana Multi Infrastruktur
Pusat Investasi Pemerintah	-	7.150.711	Government Investment Center
Jumlah	8.488.486	8.665.726	Total
Dikurangi bagian jatuh tempo dalam satu tahun	293.793	293.793	Less current portion
Bagian jangka panjang	8.194.693	8.371.933	Long-term portion

	2015	2014	
Rekening Dana Investasi No. RDI-393/DP3/2001			Investment Fund Account No. RDI-393/DP3/2001
Pokok pinjaman	1.468.963	1.762.756	Principal
Perbedaan nilai wajar	(174.361)	(247.741)	Fair value difference
Jumlah	1.294.602	1.515.015	Total

Pada tanggal 20 Juni 2001, Perusahaan dan Pemerintah Republik Indonesia menyetujui restrukturisasi tunggakan angsuran pokok penerusan pinjaman sebesar Rp 5.288.268 juta sesuai dengan Surat Menteri Keuangan Republik Indonesia No. S-352/MK.06/2001 menjadi pinjaman berjangka waktu 20 tahun. Pinjaman ini dikenakan bunga 4% per tahun dan tanpa jaminan. Pinjaman ini dibayar secara angsuran setiap semester sebesar Rp 146.896 juta sampai dengan 30 Juli 2021.

On June 20, 2001, the Company and the Government of the Republic of Indonesia agreed to restructure the overdue principal of the two-step loans amounting to Rp 5,288,268 million as stated in the letter of the Ministry of Finance of the Republic of Indonesia No. S-352/MK.06/2001. The loan is unsecured, has a period of 20 years and bears interest at 4% per annum. The loan will be paid in semi-annual installments of Rp 146,896 million until July 30, 2021.

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**24. UTANG KEPADA PEMERINTAH DAN
LEMBAGA KEUANGAN PEMERINTAH NON
BANK (lanjutan)**

**24. GOVERNMENT AND NON BANK
GOVERNMENT FINANCIAL INSTITUTION
LOANS (continued)**

Pusat Investasi Pemerintah

Government Investment Center

	<u>2015</u>	<u>2014</u>	
Pokok pinjaman	-	7.500.000	<i>Principal</i>
Biaya transaksi yang belum diamortisasi	-	(33.542)	<i>Unamortized transaction cost</i>
Perbedaan nilai wajar	-	(315.747)	<i>Fair value difference</i>
Jumlah	<u>-</u>	<u>7.150.711</u>	Total

Pada tanggal 13 Desember 2011, Perusahaan memperoleh fasilitas pinjaman lunak dari Pusat Investasi Pemerintah Kementerian Keuangan Republik Indonesia sebesar Rp 7.500.000 juta, dengan tingkat bunga 5,25% per tahun berjangka waktu 15 tahun.

On December 13, 2011, the Company obtained soft loan facility from the Government Investment Center under the Ministry of Finance of the Republic of Indonesia amounting to Rp 7,500,000 million, with an annual interest rate of 5.25% and a term of 15 years.

Pinjaman ini digunakan untuk membiayai pengadaan dan penggantian trafo, instalasi perlengkapan transmisi dan distribusi serta investasi lainnya.

This loan was used to finance the procurement and replacement of transformers, the installation of transmission and distribution equipment and also other capital expenditures.

PT Sarana Multi Infrastruktur

PT Sarana Multi Infrastruktur

	<u>2015</u>	<u>2014</u>	
Pokok pinjaman	7.500.000	-	<i>Principal</i>
Biaya transaksi yang belum diamortisasi	(32.477)	-	<i>Unamortized transaction cost</i>
Perbedaan nilai wajar	(273.639)	-	<i>Fair value difference</i>
Jumlah	<u>7.193.884</u>	<u>-</u>	Total

Pada tanggal 23 Desember 2015, telah dilaksanakan penandatanganan perjanjian pengalihan antara Pusat Investasi Pemerintah ("PIP") dan PT Sarana Multi Infrastruktur ("SMI") yang mengalihkan seluruh hak dan kewajiban PIP kepada SMI pada saat ini maupun pada masa yang akan datang yang meliputi kepentingan dan tanggung jawab dalam perjanjian investasi Perusahaan.

On December 23, 2015, Pusat Investasi Pemerintah ("PIP") and PT Sarana Multi Infrastruktur ("SMI") has signed a novation agreement which transfers all current and future rights and obligations of PIP to SMI, including interest and responsibility in the Company's investment agreement.

Sehubungan dengan fasilitas pinjaman tersebut, Perusahaan diwajibkan untuk memelihara perbandingan antara EBITDA dengan beban bunga tidak kurang dari 1,5 : 1. Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian-perjanjian tersebut.

In relation to this loan facility, the Company is required to maintain a ratio of EBITDA to interest expense at a minimum of 1.5 : 1. The Company has complied with the covenants in the borrowing agreement.

Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank berdasarkan jadwal pembayaran pokok, adalah sebagai berikut:

Government and non bank Government Financial Institution Loans by installment schedules, at a nominal amount, are as follows:

	<u>2015</u>	<u>2014</u>	
Dibayarkan:			<i>Payable to:</i>
Dalam satu tahun	293.793	293.793	<i>Within one year</i>
Pada tahun kedua	1.043.793	293.793	<i>In the second year</i>
Pada tahun ketiga	1.043.793	1.043.793	<i>In the third year</i>
Pada tahun keempat	1.043.793	1.043.793	<i>In the fourth year</i>
Setelah lima tahun	5.543.791	6.587.584	<i>After five years</i>
Jumlah	<u>8.968.963</u>	<u>9.262.756</u>	Total

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25. UTANG SEWA PEMBIAYAAN

Akun ini merupakan utang kepada IPP terkait PPA & ESC yang telah diklasifikasikan ke dalam sewa pembiayaan sebagai akibat penerapan ISAK 8 dan utang kepada PT Central Java Power ("CJP") dalam rangka Perjanjian Sewa Pembiayaan atas pengadaan pembangkitan tenaga listrik 4 x 660 MW Tanjung Jati B Unit A, B, C dan D.

Sehubungan dengan Perjanjian Sewa Pembiayaan tersebut, Sumitomo Mitsui Banking Corporation, Singapura bertindak sebagai *Escrow Agent* dan Sumitomo Mitsui Banking Corporation, Tokyo bertindak sebagai *Security Agent*. Untuk memenuhi persyaratan FLA, Perusahaan telah membentuk dana cadangan pada *Escrow Agent* untuk jaminan pelaksanaan operasi, pemeliharaan dan pengadaan bahan bakar serta untuk angsuran sewa pembiayaan (Catatan 10).

Nilai tunai pembayaran minimum atas utang sewa pembiayaan tersebut pada tahun 2015 dan 2014 adalah sebagai berikut:

a. Berdasarkan jatuh tempo

	<u>2015</u>	<u>2014</u>
Pembayaran jatuh tempo dalam waktu:		
Tidak lebih dari satu tahun	31.340.649	25.735.327
Antara lebih dari satu tahun sampai lima tahun	116.763.634	99.815.855
Lebih dari lima tahun	<u>355.390.174</u>	<u>300.340.464</u>
Jumlah pembayaran minimum sewa pembiayaan	<u>503.494.457</u>	<u>425.891.646</u>
Dikurangi bunga	<u>347.113.556</u>	<u>292.678.749</u>
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	<u>156.380.901</u>	<u>133.212.897</u>
Dikurangi bagian lancar	<u>6.759.138</u>	<u>5.116.369</u>
Bagian jangka panjang	<u>149.621.763</u>	<u>128.096.528</u>

b. Berdasarkan lessor

	<u>2015</u>	<u>2014</u>
<u>Pihak berelasi</u>		
PT Sumber Segara Primadaya - US\$	7.342.528	6.631.483
PT Bajradaya Sentranusa Asahan - US\$	4.745.768	4.297.521
PT Bukit Pembangkit Innovative - US\$	3.179.676	-
PT Pertamina Geothermal Energi (The Kamojang) - US\$	1.713.522	867.690
PT Geo Dipa Energy - US\$	1.560.552	1.413.227
PT Tanjung Kasam Power - Rupiah	1.180.767	1.193.605
PT Dalle Energy Batam - Rupiah	684.448	711.425
PT Wijaya Karya - Navigat - Rupiah	481.777	576.192
PT Wijaya Karya - Mirlindo Pandu Kencana - US\$	253.169	282.724
Rupiah	98.939	121.372
PT Mitra Energi Batam - Rupiah	<u>90.886</u>	<u>112.408</u>
Jumlah pihak berelasi	<u>21.332.032</u>	<u>16.207.647</u>

25. LEASE LIABILITIES

This account represents amounts payable to certain IPP & ESC that have been reclassified as finance lease as a result of ISAK 8 implementation and amounts payable to PT Central Java Power ("CJP") in relation to the Financial Lease Agreement on the acquisition of Tanjung Jati B Unit A, B, C and D 4 x 660 MW power plants.

In relation to the Finance Lease Agreement, Sumitomo Mitsui Banking Corporation, Singapore acts as the Escrow Agent and Sumitomo Mitsui Banking Corporation, Tokyo acts as the Security Agent. To fulfill the requirements of FLA, the Company established a reserve account to an Escrow Agent for guarantee of operations, maintenance and fuel procurement and for lease payments (Note 10).

The present value of minimum lease payments for such lease liabilities in 2015 and 2014 is as follows:

a. By due date

Minimum lease payments due:
No later than one year
Later than one year and no later than five years
Later than five years

Total minimum lease payments

Less interest

Present value of future minimum lease payments

Less current portion

Long-term portion

b. By lessor

Related parties

PT Sumber Segara Primadaya - US\$

PT Bajradaya Sentranusa Asahan - US\$

PT Bukit Pembangkit Innovative - US\$

PT Pertamina Geothermal Energi (The Kamojang) - US\$

PT Geo Dipa Energy - US\$

PT Tanjung Kasam Power - Rupiah

PT Dalle Energy Batam - Rupiah

PT Wijaya Karya - Navigat - Rupiah

PT Wijaya Karya - Mirlindo Pandu Kencana - US\$

US\$

Rupiah

PT Mitra Energi Batam - Rupiah

Total related parties

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25. UTANG SEWA PEMBIAYAAN (lanjutan)

25. LEASE LIABILITIES (continued)

b. Berdasarkan lessor (lanjutan)

b. By lessor (continued)

	<u>2015</u>	<u>2014</u>	
<u>Pihak ketiga</u>			<u>Third parties</u>
PT Paiton Energy - US\$	38.622.469	34.789.326	PT Paiton Energy - US\$
PT Central Java Power - US\$	24.828.858	25.633.542	PT Central Java Power - US\$
PT Jawa Power - US\$	21.591.678	19.684.536	PT Jawa Power - US\$
PT Cirebon Electric Power - US\$	7.966.534	7.402.128	PT Cirebon Electric Power - US\$
Lain - lain (masing-masing di bawah 5% dari jumlah)	<u>42.039.330</u>	<u>29.495.718</u>	Others (each below 5% of total)
Jumlah pihak berelasi	<u>135.048.869</u>	<u>117.005.250</u>	Total third parties
Nilai tunai pembayaran minimum sewa pembiayaan masa datang	156.380.901	133.212.897	Present value of future minimum lease payments
Dikurangi bagian jatuh tempo dalam satu tahun	<u>6.759.138</u>	<u>5.116.369</u>	Less current maturity
Bagian jangka panjang	<u>149.621.763</u>	<u>128.096.528</u>	Long-term portion

Tingkat suku bunga liabilitas sewa pembiayaan adalah tetap sejak tanggal kontrak, yang berkisar antara 5,04% sampai dengan 24,65% per tahun.

The interest rates underlying these finance lease liabilities are fixed at respective contract dates ranging from 5.04% to 24.65% per annum.

Beban bunga dan keuangan terkait sewa pembiayaan pada tahun 2015 dan 2014 masing-masing sebesar Rp 26.192.782 juta dan Rp 22.712.398 juta. Beban bunga dan keuangan ini termasuk sewa kontijen masing masing sebesar Rp 1.352.521 juta dan Rp 1.610.760 juta pada tahun 2015 dan 2014 untuk faktor penyesuaian tertentu, antara lain meliputi kurs konversi mata uang USD, tingkat bunga dan tingkat pengembalian investasi.

Interest expense and financial charges related to finance leases in 2015 and 2014 amounted to Rp 26,192,782 million and Rp 22,712,398 million, respectively. These interest expense and financial charges include contingent rent of Rp 1,352,521 million and Rp 1,610,760 million in 2015 and 2014, respectively for certain adjustment factors which include, among other things, conversion of foreign exchange in USD currency, interest rate and investment rate of returns.

26. UTANG BANK

26. BANK LOANS

	<u>2015</u>	<u>2014</u>	
Pinjaman terkait program percepatan			Loans related to fast track program
Pihak berelasi			Related parties
Bank Negara Indonesia	5.071.199	3.985.102	Bank Negara Indonesia
Bank DKI	3.513.394	2.154.570	Bank DKI
Bank Rakyat Indonesia	3.250.011	4.105.099	Bank Rakyat Indonesia
Bank Mandiri	<u>2.107.554</u>	<u>2.753.910</u>	Bank Mandiri
Jumlah pihak berelasi	<u>13.942.158</u>	<u>12.998.681</u>	Total related parties
Pihak ketiga			Third parties
The Export-Import Bank of China	15.998.937	15.603.080	The Export-Import Bank of China
Bank of China Limited	11.446.352	11.980.540	Bank of China Limited
China Development Bank	10.320.351	10.492.729	China Development Bank
Bank Mega	2.224.463	3.000.601	Bank Mega
Bank Bukopin	1.845.283	2.154.535	Bank Bukopin
Bank Central Asia	<u>963.855</u>	<u>1.261.476</u>	Bank Central Asia
Jumlah pihak ketiga	<u>42.799.241</u>	<u>44.492.961</u>	Total third parties
Sub jumlah	<u>56.741.399</u>	<u>57.491.642</u>	Sub total

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26. UTANG BANK (lanjutan)

26. BANK LOANS (continued)

	<u>2015</u>	<u>2014</u>	
Pinjaman tidak terkait program percepatan			Loans not related to fast track program
Pihak berelasi			Related parties
Bank Rakyat Indonesia	13.999.808	8.928.696	Bank Rakyat Indonesia
Bank Negara Indonesia	6.500.000	1.112.884	Bank Negara Indonesia
Bank Mandiri	<u>5.250.000</u>	<u>6.125.000</u>	Bank Mandiri
Jumlah pihak berelasi	<u>25.749.808</u>	<u>16.166.580</u>	Total related parties
Pihak ketiga			Third parties
Bank Central Asia	7.000.000	7.000.000	Bank Central Asia
Standard Chartered Bank	<u>1.377.702</u>	<u>702.813</u>	Standard Chartered Bank
Jumlah pihak ketiga	<u>8.377.702</u>	<u>7.702.813</u>	Total third parties
Sub jumlah	<u>34.127.510</u>	<u>23.869.393</u>	Sub total
Jumlah	<u>90.868.909</u>	<u>81.361.035</u>	Total
Biaya transaksi belum diamortisasi	<u>(1.287.581)</u>	<u>(1.433.188)</u>	Unamortized transaction cost
Jumlah bersih	<u>89.581.328</u>	<u>79.927.847</u>	Total net
Dikurangi bagian jatuh tempo dalam satu tahun			Less current maturities within one year
Pihak berelasi			Related parties
Bank Rakyat Indonesia	2.068.708	857.402	Bank Rakyat Indonesia
Bank Mandiri	1.521.356	1.521.356	Bank Mandiri
Bank Negara Indonesia	996.810	996.810	Bank Negara Indonesia
Bank DKI	<u>676.000</u>	<u>676.000</u>	Bank DKI
Jumlah pihak berelasi	<u>5.262.874</u>	<u>4.051.568</u>	Total related parties
Pihak ketiga			Third parties
The Export-Import Bank of China	1.795.655	1.248.524	The Export-Import Bank of China
Bank of China Limited	1.839.142	1.658.494	Bank of China Limited
China Development Bank	1.315.274	1.186.083	China Development Bank
Bank Mega	776.138	776.138	Bank Mega
Bank Bukopin	309.253	309.253	Bank Bukopin
Bank Central Asia	297.621	297.621	Bank Central Asia
Standard Chartered Bank	<u>156.501</u>	<u>-</u>	Standard Chartered Bank
Jumlah pihak ketiga	<u>6.489.584</u>	<u>5.476.113</u>	Total third parties
Jumlah bagian jatuh tempo dalam satu tahun	<u>11.752.458</u>	<u>9.527.681</u>	Total current portion
Bagian jangka panjang	<u>77.828.870</u>	<u>70.400.166</u>	Long-term portion

Pada tanggal 31 Desember 2015 dan 2014, rincian utang bank dalam mata uang asing adalah sebagai berikut:

As of December 31, 2015 and 2014, details of bank loans in foreign currency are as follows:

	<u>2015</u>		<u>2014</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	
US\$	2.737.632.476	37.765.640	3.060.799.804	38.076.349	US\$
EUR	91.422.114	<u>1.377.702</u>	46.441.613	<u>702.813</u>	EUR
Jumlah		<u>39.143.342</u>		<u>38.779.162</u>	Total

*) Dalam jumlah penuh/In full amount

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26. UTANG BANK (lanjutan)

26. BANK LOANS (continued)

Pinjaman terkait program percepatan

Perusahaan memperoleh fasilitas kredit dari beberapa bank untuk membiayai 85% dari nilai kontrak *Engineering Procurement and Construction (EPC)* untuk program percepatan. Pinjaman ini sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Peraturan Presiden Republik Indonesia (PP) No. 91 Tahun 2007, pengganti dari PP No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan dibatasi oleh ketentuan-ketentuan umum sebagaimana ditetapkan dalam perjanjian kredit.

Pada tanggal 31 Desember 2015, rincian fasilitas pinjaman tersebut adalah sebagai berikut:

Loans related to fast track program

The Company obtained credit facilities from several banks to finance 85% of the value of *Engineering Procurement and Construction (EPC)* contracts for its fast track program. These loans are fully guaranteed by the Government of the Republic of Indonesia in accordance with Presidential Regulation of the Republic of Indonesia (PP) No. 91 Year 2007, which superseded PP No. 86 year 2006, regarding the Grant of Government Guarantee for Construction of a Coal-Fired Power Plant. In connection with these loans, the Company is restricted by general rules as described in the loan agreements.

As of December 31, 2015, details of such loan facilities are as follows:

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi asuransi/ Insurance Premium US\$*)	Tanggal jatuh tempo/ Date of maturity
		US\$)	Rp*)	2015 Rp*)	2014 Rp*)			
1	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank of China Limited/ PLTU 1 Indramayu, Jawa Barat/West Java	592	-	734.816	644.390	LIBOR 6 bulanan/ 6 month LIBOR + 0,785%	55	27 Mei 2021/ May 27, 2021
2	The Export-Import Bank of China/ PLTU 2 Paton, Jawa Timur/East Java	331	-	312.493	285.755	LIBOR 6 bulanan/ 6 month LIBOR + 0,84%	32	30 Januari 2023/ January 30, 2023
3	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU 2 Labuan, Banten	-	2.741.298	391.614	391.614	JIBOR 3 bulanan/ 3 month JIBOR + 0,825%	-	23 Juli 2018/ July 23, 2018
4	The Export-Import Bank of China/ PLTU 1 Suralaya, Banten	284	-	304.901	278.812	LIBOR 6 bulanan/ 6 month LIBOR + 0,84%	27	30 Januari 2023/ January 30, 2023
5	China Development Bank and Barclays Capital, The Investment Banking Division of Barclays Bank PLC/ PLTU 1 Rembang, Jawa Tengah/ Central Java	262	-	359.425	304.892	LIBOR 6 bulanan/ 6 month LIBOR + 3,25%	-	3 Desember 2021/ December 3, 2021
6	Bank DKI/ PLTU Naganraya PLTU 2 Nusa Tenggara Timur/East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/West Nusa Tenggara PLTU Sumatera Barat/West Sumatera PLTU 2 Kalimantan Barat/West Kalimantan PLTU 4 Bangka Belitung PLTU Maluku Utara/North Maluku PLTU Sulawesi Tengah/Central Sulawesi PLTU 1 Nusa Tenggara Timur/East Nusa Tenggara PLTU 2 Sulawesi Utara/North Sulawesi PLTU Gorontalo PLTU 2 Nusa Tenggara Barat/West Nusa Tenggara PLTU 1 Kalimantan Tengah/Central Kalimantan	-	4.732.000	676.000	676.000	JIBOR 3 bulanan/ 3 month JIBOR + 1%	-	24 April 2019/ April 24, 2019
7	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Sulawesi Selatan/South Sulawesi PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan/ South Kalimantan	-	2.074.739	193.903	270.769	JIBOR 3 bulanan/ 3 month JIBOR + 1%	-	30 Januari 2019/ January 30, 2019
Jumlah dipindahkan/Total carry forward		1.469	9.548.037	2.973.152	2.852.232		114	

*) Dalam jutaan/In million

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26. BANK LOANS (continued)

Pinjaman terkait program percepatan (lanjutan)

Loans related to fast track program (continued)

Pada tanggal 31 Desember 2015, rincian fasilitas pinjaman tersebut adalah sebagai berikut (lanjutan):

As of December 31, 2015, details of such loan facilities are as follows (continued):

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi asuransi/ Insurance Premium US\$*)	Tanggal jatuh tempo/ Date of maturity
		US\$*)	Rp*)	2015 Rp*)	2014 Rp*)			
	Jumlah dipindahkan/Total carry forward	1.469	9.548.037	2.973.152	2.852.232		114	
8	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ PLTU 1 Rembang, Jawa Tengah/ Central Java	-	1.911.480	273.069	273.069	JIBOR 3 bulanan/ 3 month JIBOR + 1,11%	-	23 Maret 2018/ March 23, 2018
9	Bank Mega/ PLTU 2 Pelabuhan Ratu, Jawa Barat/ West Java	-	1.874.315	257.663	257.663	JIBOR 6 bulanan/ 6 month JIBOR + 1,10%	-	29 Juli 2018/ July 29, 2018
10	Bank Bukopin/ PLTU 3 Teluk Naga, Banten	-	1.606.612	178.512	178.512	JIBOR 6 bulanan/ 6 month JIBOR + 0,71%	-	29 Juli 2021/ July 29, 2021
11	Bank Mega/ PLTU 2 Nusa Tenggara Barat/West Nusa Tenggara PLTU Gorontalo PLTU 2 Sulawesi Utara/North Sulawesi, Manado PLTU Kep Riau, Tanjung Balai Karimun PLTU 1 Nusa Tenggara Timur/East Nusa Tenggara, Ende PLTU Sulawesi Tenggara 2 PLTU 1 Kalimantan Tengah/Central Kalimantan	-	1.498.513	195.418	195.418	JIBOR 6 bulanan/ 6 month JIBOR + 1,10%	-	29 Juli 2018/ July 29, 2018
12	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU 1 Indramayu, Jawa Barat/West Java	-	1.272.913	164.422	164.422	JIBOR 3 bulanan/ 3 month JIBOR + 1,10%	-	23 Februari 2018/ February 23, 2018
13	Bank Mega/ PLTU Lampung, Lampung PLTU 2 Sumatera Utara/North Sumatera, Medan	-	1.240.661	115.154	115.154	JIBOR 6 bulanan/ 6 month JIBOR + 1,10%	-	29 Juli 2018/ July 29, 2018
14	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU 2 Labuan, Banten	-	1.077.578	151.086	151.086	JIBOR 3 bulanan/ 3 month JIBOR + 1,12%	-	18 April 2018/ April 18, 2018
15	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Sulawesi Selatan/South Sulawesi PLTU 3 Bangka Belitung PLTU 2 Papua PLTU Kalimantan Selatan/South Kalimantan	-	1.151.005	164.429	164.429	JIBOR 3 bulanan/ 3 month JIBOR + 1%	-	30 Januari 2019/ January 30, 2019
16	Bank Bukopin/ PLTU 1 Pacitan, Jawa Timur/East Java	-	1.045.924	130.741	130.741	JIBOR 6 bulanan/ 6 month JIBOR + 0,71%	-	29 Juli 2021/ July 29, 2021
17	Bank Mega/ PLTU 1 Suralaya Baru, Banten	-	735.387	122.303	122.303	JIBOR 6 bulanan/ 6 month JIBOR + 1,10%	-	18 April 2018/ April 18, 2018
18	Bank Mega/ PLTU 2 Paiton, Jawa Timur/East Java	-	600.636	85.600	85.600	JIBOR 6 bulanan/ 6 month JIBOR + 1,10%	-	18 April 2018/ April 18, 2018
	Jumlah dipindahkan/Total carry forward	1.469	23.563.061	4.811.549	4.690.629		114	

*) Dalam jutaan/In million

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26. UTANG BANK (lanjutan)

26. BANK LOANS (continued)

Pinjaman terkait program percepatan (lanjutan)

Loans related to fast track program (continued)

Pada tanggal 31 Desember 2015, rincian fasilitas pinjaman tersebut adalah sebagai berikut (lanjutan):

As of December 31, 2015, details of such loan facilities are as follows (continued):

No.	Kreditur dan pembiayaan proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility		Pembayaran kembali/ Repayment		Tingkat bunga per tahun/ Interest rate per annum	Premi asuransi/ Insurance Premium	Tanggal jatuh tempo/ Date of maturity
		US\$*)	Rp*)	2015 Rp*)	2014 Rp*)			
	Jumlah dipindahkan/Total carry forward	1.469	23.563.061	4.811.549	4.690.629		114	
19	The Export-Import Bank of China/ PLTU NAD	124	-	139.247	-	LIBOR 6 bulanan/ 6 month LIBOR + 2,8%	12	14 Januari 2025/ January 14, 2025
20	The Export-Import Bank of China/ PLTU Pelabuhan Ratu	482	-	310.789	-	LIBOR 6 bulanan/ 6 month LIBOR + 2,8%	44	12 Februari 2025/ February 12, 2025
21	Bank of China Limited/ PLTU Teluk Naga	455	-	574.835	514.897	LIBOR 6 bulanan/ 6 month LIBOR + 2,3%	46	4 Mei 2022/ May 4, 2022
22	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Tanjung Awar-awar	-	1.155.352	165.050	165.050	JIBOR 3 bulanan/ 3 month JIBOR + 1%	-	30 Januari 2019/ January 30, 2019
23	The Export-Import Bank of China/ PLTU Pacitan	293	-	326.037	146.240	LIBOR 6 bulanan/ 6 month LIBOR + 2,8%	30	2 Juli 2025/ July 2, 2025
24	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ PLTU Lampung PLTU Sumatera Utara/North Sumatera	-	3.941.772	346.543	508.969	JIBOR 3 bulanan/ 3 month JIBOR + 1,5%	34	14 Oktober 2019/ October 14, 2019
25	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Mandiri/ Transmisi/Transmission	-	2.613.012	373.287	373.287	JIBOR 3 bulanan/ 3 month JIBOR + 1,5%	-	14 Desember 2019/ December 14, 2019
26	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ Transmisi/Transmission	-	327.195	46.742	46.742	JIBOR 3 bulanan/ 3 month JIBOR + 1,5%	-	14 Desember 2019/ December 14, 2019
27	China Development Bank/ PLTU Adipala, Cilacap	625	-	763.421	-	LIBOR 6 bulanan/ 6 month LIBOR + 3,85%	-	14 Oktober 2022/ October 14, 2022
28	China Development Bank/ PLTU Sumbar	138	-	167.551	147.743	LIBOR 6 bulanan/ 6 month LIBOR + 3,85%	-	14 Oktober 2022/ October 14, 2022
29	Bank of China Limited/ PLTU Tanjung Awar-Awar	372	-	483.295	428.013	LIBOR 6 bulanan/ 6 month LIBOR + 2,30%	-	14 Desember 2022/ December 14, 2022
30	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ Transmisi/Transmission	-	1.930.063	275.723	275.723	JIBOR 3 bulanan/ 3 month JIBOR + 1,50%	-	14 Desember 2019/ December 14, 2019
31	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Central Asia/ PLTU Riau dan/and PLTU Kalbar	-	1.080.598	99.793	140.727	JIBOR 3 bulanan/ 3 month JIBOR + 1,50%	-	14 Desember 2019/ December 14, 2019
32	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Rakyat Indonesia/ Transmisi/Transmission	-	1.067.684	150.292	152.526	JIBOR 3 bulanan/ 3 month JIBOR + 1,05%	-	27 Desember 2020/ December 27, 2020
33	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank Negara Indonesia/ PLTU Balikpapan Kalimantan Timur	-	2.449.963	-	-	JIBOR 3 bulanan/ 3 month JIBOR + 1,20%	-	16 Desember 2025/ December 16, 2025
34	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by Bank DKI/ PLTU Riau Tenayan	-	2.225.000	-	-	JIBOR 3 bulanan/ 3 month JIBOR + 1,5%	-	12 Nopember 2025/ November 12, 2025
	Jumlah/Total	3.958	40.353.700	9.034.154	7.590.546		280	

*) Dalam jutaan/In million

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26. UTANG BANK (lanjutan)

Pinjaman tidak terkait program percepatan

Bank Mandiri

Pada tanggal 27 Desember 2011, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Mandiri sebesar Rp 7.000.000 juta, dengan tingkat bunga per tahun sebesar rata-rata tertimbang suku bunga deposito berjangka dalam mata uang Rupiah tiga bulan dari kreditur sindikasi + 3,42% dan jatuh tempo tanggal 23 Oktober 2021. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 adalah masing-masing sebesar Rp 5.250.000 juta dan Rp 6.125.000 juta. Jumlah pembayaran kembali di tahun 2014 dan 2015 adalah masing-masing sebesar Rp 875.000 juta untuk masing-masing tahun.

Bank Rakyat Indonesia

Kredit Modal Kerja 2011

Pada bulan Juni 2011, Perusahaan memperoleh fasilitas kredit modal kerja sindikasi yang dikoordinasikan oleh Bank Rakyat Indonesia sebesar Rp 15.000.000 juta, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan + 1,65% dan jatuh tempo pada 21 Juni 2012. Terdapat sejumlah perubahan atas perjanjian awal kredit modal kerja sejak tahun 2011. Pada tanggal 20 Juni 2013, fasilitas kredit diubah menjadi Rp 13.000.000 juta dan tanggal jatuh tempo diubah menjadi 21 Juni 2014. Pada tanggal 21 Juli 2014, tingkat suku bunga pinjaman diubah menjadi tingkat suku bunga JIBOR tiga bulanan + 2,1% dan jatuh tempo fasilitas pinjaman diperpanjang sampai 21 Juni 2015. Pada tanggal 8 Juli 2015, fasilitas kredit diubah menjadi Rp 9.000.000 juta dengan tingkat suku bunga pinjaman berdasarkan rata-rata deposito berjangka dalam mata uang Rupiah tiga bulanan dari kreditur sindikasi + 2,02% dan jatuh tempo diperpanjang sampai 21 Juli 2016. Jumlah pembayaran kembali di tahun 2014 dan 2015 adalah masing-masing sebesar Rp 50.527.002 juta dan Rp 28.123.417 juta.

Arus kas penarikan dan pembayaran utang Bank Rakyat Indonesia untuk tahun 2015 dan 2014 sebagai berikut:

	<u>2015</u>	<u>2014</u>
Penarikan	28.123.417	50.527.002
Pembayaran	<u>(28.123.417)</u>	<u>(50.527.002)</u>
Bersih	=====	=====

Withdrawal
Payment

Net

26. BANK LOANS (continued)

Loans not related to fast track program

Bank Mandiri

On December 27, 2011, the Company obtained a syndicated investment loan facility coordinated by Bank Mandiri amounting to Rp 7,000,000 million, with annual interest weighted average time deposit in Rupiah of three months of syndicated creditors + 3.42% and maturity on October 23, 2021. As of December 31, 2015 and 2014, the balance outstanding amounted to Rp 5,250,000 million and Rp 6,125,000 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp 875,000 million for each year.

Bank Rakyat Indonesia

Working Capital Loan 2011

On June 2011, the Company obtained a syndicated working capital loan facility coordinated by Bank Rakyat Indonesia amounting to Rp 15,000,000 million, with annual interest based on three months JIBOR + 1.65% and maturity on June 21, 2012. There have been a number of amendments to the original working capital loan facility since 2011. On June 20, 2013, the credit facility was changed to Rp 13,000,000 million and the maturity date was amended to June 21, 2014. On July 21, 2014, the interest rate of the facility was changed to three months JIBOR + 2.1% and the maturity date was extended to June 21, 2015. On July 8, 2015, the credit facility was changed to Rp 9,000,000 million with annual interest based on average time deposit in Rupiah three months of syndicated creditors + 2.02% and maturity date was extended to July 21, 2016. Principal repayment in 2014 and 2015 amounted to Rp 50,527,002 million and Rp 28,123,417 million, respectively.

Cash flows of withdrawal and payment of the Bank Rakyat Indonesia loan in 2015 and 2014 are as follows:

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26. UTANG BANK (lanjutan)

**Pinjaman tidak terkait program percepatan
(lanjutan)**

Bank Rakyat Indonesia (lanjutan)

Pinjaman Perusahaan 2012

Pada tanggal 21 Desember 2012, Perusahaan memperoleh fasilitas kredit modal kerja dari Bank Rakyat Indonesia sebesar Rp 8.500.000 juta dengan tingkat bunga per tahun sebesar rata-rata suku bunga deposito berjangka tiga bulan + 3,2% yang terutang setiap tiga bulan. Tanggal jatuh tempo pokok pinjaman adalah 23 Nopember 2022. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 sebesar Rp 8.500.000 juta. Jumlah pembayaran kembali di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

Pinjaman Perusahaan 2014

Pada tanggal 17 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi dari Bank Rakyat Indonesia sebesar Rp 2.000.000 juta dengan tingkat bunga pertahun menggunakan rata-rata suku bunga deposito berjangka tiga bulanan Bank Rakyat Indonesia + 2,75% dan jatuh tempo pokok pinjaman pada tanggal 17 Desember 2024. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 adalah sebesar Rp 2.000.000 juta dan Rp 428.696 juta. Jumlah pembayaran kembali di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

Pinjaman Perusahaan 2015

Pada tanggal 17 Desember 2015, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Rakyat Indonesia sebesar Rp 12.000.000 juta dengan tingkat suku bunga pertahun menggunakan suku bunga BI + 2,3% pada tanggal tiga hari sebelum jangka waktu bunga. Tanggal jatuh tempo pokok pinjaman adalah 17 Desember 2025. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 adalah sebesar Rp 3.499.807 juta dan Rp nihil. Jumlah pembayaran kembali di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

26. BANK LOAN (continued)

**Loans not related to fast track program
(continued)**

Bank Rakyat Indonesia (continued)

Corporate Loan 2012

On December 21, 2012, the Company obtained working capital loan facilities from Bank Rakyat Indonesia amounting to Rp 8,500,000 million, with annual interest rate of the average time deposit three months + 3.2%, which is due every three months. The maturity date of the principal is on November 23, 2022. The balance as of December 31, 2015 and 2014, the balance outstanding amounted to Rp 8,500,000 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

Corporate Loan 2014

On December 17, 2014, the Company obtained a credit facility from Bank Rakyat Indonesia amounting to Rp 2,000,000 million, with the annual interest rate based on Bank Rakyat Indonesia's average three months time deposit + 2.75% and maturity on December 17, 2024. As of December 31, 2015 and 2014 the balance outstanding amounted to Rp 2,000,000 million and Rp 428,696 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

Corporate Loan 2015

On December 17, 2015, the Company obtained a credit facility coordinated by Bank Rakyat Indonesia amounting to Rp 12,000,000 million, with the annual interest rate based on Bank Indonesia's rate + 2.3% on three days before interest period. The maturity date of the principal is on December 17, 2025. As of December 31, 2015 and 2014 the balance outstanding amounted to Rp 3,499,807 million and Rp nil. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

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26. UTANG BANK (lanjutan)

**Pinjaman tidak terkait program percepatan
(lanjutan)**

Bank Negara Indonesia

Pada tanggal 18 Desember 2014, Perusahaan memperoleh fasilitas kredit investasi sindikasi sebesar Rp 6.500.000 juta yang dikoordinasikan oleh Bank Negara Indonesia, dengan tingkat suku bunga menggunakan rata-rata tertimbang suku bunga deposito berjangka tiga bulan + 3 % per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 18 Desember 2024. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp 6.500.000 juta dan Rp 1.112.884 juta. Jumlah pembayaran di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

Bank Central Asia

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit investasi sindikasi yang dikoordinasikan oleh Bank Central Asia sebesar Rp 7.000.000 juta, dengan tingkat suku bunga berdasarkan JIBOR tiga bulanan + 2,4% yang jatuh tempo pada tanggal 23 Desember 2023. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp 7.000.000 juta dan Rp 7.000.000 juta. Jumlah pembayaran di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

Standard Chartered Bank

Fasilitas Arun

Pada tanggal 11 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan PLTMG Arun sebesar EUR 90.000.000 dengan tingkat suku sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 11 Desember 2025. Hingga pada tanggal 31 Desember 2015 dan 2014, masing-masing sebesar Rp 569.924 juta dan Rp nihil. Jumlah pembayaran di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

26. BANK LOANS (continued)

**Loans not related to fast track program
(continued)**

Bank Negara Indonesia

On December 18, 2014, the Company obtained a syndicated investment credit facility amounting to Rp 6,500,000 million coordinated by Bank Negara Indonesia, with annual interest rate based on three months weighted average time deposit + 3 % per annum. This credit facility will mature on December 18, 2024. As of December 31, 2015 and 2014 the balance outstanding amounted to Rp 6,500,000 million and Rp 1,112,884 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

Bank Central Asia

On December 23, 2013, the Company obtained a syndicated investment credit facility coordinated by Bank Central Asia amounting to Rp 7,000,000 million, with annual interest rate based on three months JIBOR + 2.4% and maturity on December 23, 2023. As of December 31, 2015 and 2014 the balance outstanding of this facility amounted to Rp 7,000,000 million and Rp 7,000,000 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

Standard Chartered Bank

Arun Facility

On December 11, 2013, the Company obtained an export credit facility to finance the construction of Arun Solar and Steam Power Plant amounting to EUR 90,000,000 with an interest rate of 2.1% per annum. This credit facility will mature on December 11, 2025. As of December 31, 2015 and 2014, the balance outstanding of this facility amounted to Rp 569,924 million and Rp nil. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

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26. UTANG BANK (lanjutan)

**Pinjaman tidak terkait program percepatan
(lanjutan)**

Standard Chartered Bank (lanjutan)

Fasilitas Bangkanai

Pada tanggal 23 Desember 2013, Perusahaan memperoleh fasilitas kredit ekspor untuk membiayai pembangunan PLTMG Bangkanai sebesar EUR 70.850.000 dengan tingkat suku bunga yang digunakan untuk pinjaman tersebut sebesar 2,1% per tahun. Fasilitas kredit tersebut akan berakhir pada tanggal 23 Desember 2025. Jumlah terhutang atas pinjaman ini pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar Rp 807.778 juta dan Rp 702.813 juta. Jumlah pembayaran di tahun 2014 dan 2015 adalah masing-masing sebesar Rp nihil dan Rp nihil.

26. BANK LOANS (continued)

**Loans not related to fast track program
(continued)**

Standard Chartered Bank (continued)

Bangkanai Facility

On December 23, 2013, the Company obtained an export credit facility to finance the construction of Bangkanai Solar and Steam Power Plant amounting to EUR 70,850,000 with interest rate of 2.1% per annum. This credit facility will mature on December 23, 2025. As of December 31, 2015 and 2014 the balance outstanding of this facility amounted to Rp 807,778 million and Rp 702,813 million, respectively. Principal repayment in 2014 and 2015 amounted to Rp nil and Rp nil, respectively.

27. UTANG OBLIGASI DAN SUKUK IJARAH

27. BONDS PAYABLE AND SUKUK IJARAH

	<u>2015</u>	<u>2014</u>	
Obligasi Rupiah			<i>Rupiah Bonds</i>
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013	1.244.000	1.244.000	<i>Sustainable Bonds I PLN II Year 2013</i>
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013	429.000	429.000	<i>Sustainable Sukuk Ijarah I PLN II Year 2013</i>
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013	879.000	879.000	<i>Sustainable Bonds I PLN I Year 2013</i>
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	121.000	121.000	<i>Sustainable Sukuk Ijarah I PLN I Year 2013</i>
Obligasi PLN XII Tahun 2010	1.855.000	2.500.000	<i>PLN XII Bonds Year 2010</i>
Sukuk Ijarah PLN V Tahun 2010	340.000	500.000	<i>Sukuk Ijarah PLN V Year 2010</i>
Obligasi PLN XI Tahun 2010	2.703.000	2.703.000	<i>PLN XI Bonds Year 2010</i>
Sukuk Ijarah PLN IV Tahun 2010	297.000	297.000	<i>Sukuk Ijarah PLN IV Year 2010</i>
Obligasi PLN IX Tahun 2007	2.700.000	2.700.000	<i>PLN IX Bonds Year 2007</i>
Sukuk Ijarah PLN II Tahun 2007	300.000	300.000	<i>Sukuk Ijarah PLN II Year 2007</i>
Obligasi PLN VIII Tahun 2006	2.200.100	2.200.100	<i>PLN VIII Bonds Year 2006</i>
Obligasi Syariah Ijarah PLN I Tahun 2006	200.000	200.000	<i>Syariah Ijarah PLN I Bonds Year 2006</i>
Surat Utang Jangka Menengah Global - US\$			<i>Global Medium Term Notes - US\$</i>
Penerbitan tahun 2012	13.795.000	12.440.000	<i>Issued in 2012</i>
Penerbitan tahun 2011	13.795.000	12.440.000	<i>Issued in 2011</i>
Obligasi Terjamin - US\$			<i>Guaranteed Notes - US\$</i>
Penerbitan tahun 2009	27.590.000	24.880.000	<i>Issued in 2009</i>
Penerbitan tahun 2007	13.795.000	12.440.000	<i>Issued in 2007</i>
Penerbitan tahun 2006	<u>7.587.250</u>	<u>6.842.000</u>	<i>Issued in 2006</i>
Sub jumlah	<u>89.830.350</u>	<u>83.115.100</u>	<i>Sub total</i>
Biaya emisi belum diamortisasi	<u>(664.662)</u>	<u>(637.544)</u>	<i>Unamortized debt issuance cost</i>
Jumlah	<u>89.165.688</u>	<u>82.477.556</u>	Total
Disajikan di laporan posisi keuangan konsolidasian sebagai:			<i>Presented in consolidated statements of financial position as:</i>
Liabilitas jangka pendek	9.122.350	805.000	<i>Current liabilities</i>
Liabilitas jangka panjang	<u>80.043.338</u>	<u>81.672.556</u>	<i>Non-current liabilities</i>
Jumlah	<u>89.165.688</u>	<u>82.477.556</u>	Total

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah

Obligasi ini diterbitkan sebesar harga nominal dalam mata uang Rupiah dengan rincian sebagai berikut:

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds

The bonds were issued at nominal value and are denominated in Rupiah, with the following details:

	<u>Pokok/ Principal</u>	<u>Tanggal jatuh tempo/ Maturity date</u>	<u>Tingkat bunga/ Interest rate</u>	
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013				<i>Sustainable Bonds I PLN II Year 2013</i>
Seri A	593.000	10 Desember 2018/ <i>December 10, 2018</i>	9,00%	<i>Series A</i>
Seri B	651.000	10 Desember 2023/ <i>December 10, 2023</i>	9,60%	<i>Series B</i>
Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013				<i>Sustainable Sukuk Ijarah I PLN II Year 2013</i>
Seri A	321.000	10 Desember 2018/ <i>December 10, 2018</i>	-	<i>Series A</i>
Seri B	108.000	10 Desember 2023/ <i>December 10, 2023</i>	-	<i>Series B</i>
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013				<i>Sustainable Bonds I PLN I Year 2013</i>
Seri A	182.000	5 Juli 2020/ <i>July 5, 2020</i>	8,00%	<i>Series A</i>
Seri B	697.000	5 Juli 2023/ <i>July 5, 2023</i>	8,25%	<i>Series B</i>
Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013	121.000	5 Juli 2020/ <i>July 5, 2020</i>	-	<i>Sustainable Sukuk Ijarah I PLN I Year 2013</i>
Obligasi PLN XII Tahun 2010				<i>PLN XII Bonds Year 2010</i>
Seri B	1.855.000	8 Juli 2022/ <i>July 8, 2022</i>	10,40%	<i>Series B</i>
Sukuk Ijarah PLN V Tahun 2010				<i>Sukuk Ijarah PLN V Year 2010</i>
Seri B	340.000	8 Juli 2022/ <i>July 8, 2022</i>	-	<i>Series B</i>
Obligasi PLN XI Tahun 2010				<i>PLN XI Bonds Year 2010</i>
Seri A	920.000	12 Januari 2017/ <i>January 12, 2017</i>	11,95%	<i>Series A</i>
Seri B	1.783.000	12 Januari 2020/ <i>January 12, 2020</i>	12,55%	<i>Series B</i>
Sukuk Ijarah PLN IV Tahun 2010				<i>Sukuk Ijarah PLN IV Year 2010</i>
Seri A	130.000	12 Januari 2017/ <i>January 12, 2017</i>	-	<i>Series A</i>
Seri B	167.000	12 Januari 2020/ <i>January 12, 2020</i>	-	<i>Series B</i>
Obligasi PLN IX Tahun 2007				<i>PLN IX Bonds Year 2007</i>
Seri A	1.500.000	10 Juli 2017/ <i>July 10, 2017</i>	10,40%	<i>Series A</i>
Seri B	1.200.000	10 Juli 2022/ <i>July 10, 2022</i>	10,90%	<i>Series B</i>
Sukuk Ijarah PLN II Tahun 2007	300.000	10 Juli 2017/ <i>July 10, 2017</i>	-	<i>Sukuk Ijarah PLN II Year 2007</i>
Obligasi PLN VIII Tahun 2006				<i>PLN VIII Bonds Year 2006</i>
Seri A	1.335.100	21 Juni 2016/ <i>June 21, 2016</i>	13,60%	<i>Series A</i>
Seri B	865.000	21 Juni 2021/ <i>June 21, 2021</i>	13,75%	<i>Series B</i>
Obligasi Syariah Ijarah PLN I Tahun 2006	<u>200.000</u>	21 Juni 2016/ <i>June 21, 2016</i>	-	<i>Syariah Ijarah PLN I Bonds Year 2006</i>
Jumlah	<u>13.268.100</u>			Total

Obligasi Berkelanjutan I PLN Tahap II Tahun 2013

Pada tanggal 10 Desember 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN tahap II tahun 2013 dengan jumlah nilai nominal sebesar Rp 1.244.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN tahap II tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN tahap II Tahun 2013 dengan nilai nominal sebesar Rp 429.000 juta, terdiri dari Seri A dan Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 28.890 juta per tahun untuk Obligasi Seri A dan Rp 10.368 juta per tahun untuk Seri B dan dibayarkan setiap tiga bulan sejak 10 Maret 2014 sampai dengan tanggal jatuh tempo Sukuk Ijarah.

Sustainable Bonds I PLN II Year 2013

On December 10, 2013, the Company issued Sustainable Bonds I PLN II Year 2013 with a total nominal value of Rp 1,244,000 million consisting of Series A and Series B bonds, with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the bonds.

Sustainable Sukuk Ijarah I PLN II Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN II Year 2013, the Company also issued Sustainable Sukuk Ijarah I PLN II Year 2013, with a nominal value of Rp 429,000 million consisting of Series A and Series B with PT Bank Permata Tbk acting as the Trustee. Total ijarah fee per annum amounting to Rp 28,890 million for Series A Bonds and Rp 10,368 million for Series B Bonds is payable on a quarterly basis, starting from March 10, 2014 until the maturity date of the Sukuk Ijarah.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah (lanjutan)

Obligasi Berkelanjutan I PLN Tahap I Tahun 2013

Pada tanggal 5 Juli 2013, Perusahaan menerbitkan Obligasi Berkelanjutan I PLN tahap I tahun 2013 dengan jumlah nilai nominal sebesar Rp 879.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013

Bersamaan dengan penerbitan Obligasi Berkelanjutan I PLN tahap I tahun 2013, Perusahaan juga menerbitkan Sukuk Ijarah Berkelanjutan I PLN tahap I Tahun 2013 dengan nilai nominal sebesar Rp 121.000 juta dengan PT Bank Permata Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 9.680 juta per tahun dan dibayarkan setiap tiga bulan sejak 5 Oktober 2013 sampai dengan tanggal jatuh tempo Sukuk Ijarah.

Obligasi PLN XII tahun 2010

Pada tanggal 8 Juli 2010, Perusahaan menerbitkan Obligasi PLN XII Tahun 2010 dengan jumlah nilai nominal sebesar Rp 2.500.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A telah dibayar kembali di tahun 2015.

Sukuk Ijarah PLN V Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XII Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN V Tahun 2010 dengan nilai nominal sebesar Rp 500.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 15.520 juta per tahun untuk obligasi Seri A dan Rp 35.360 juta per tahun untuk obligasi Seri B dan dibayarkan setiap tiga bulan sejak 8 Oktober 2010 sampai dengan tanggal jatuh tempo obligasi. Obligasi Seri A telah dibayar kembali di tahun 2015.

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**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds (continued)

Sustainable Bonds I PLN I Year 2013

On July 5, 2013, the Company issued Sustainable Bonds I PLN I Year 2013 with a total nominal value of Rp 879,000 million consisting of Series A and Series B bonds with PT Bank Permata Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the bonds.

Sustainable Sukuk Ijarah I PLN I Year 2013

Concurrent with the issuance of Sustainable Bonds I PLN I Year 2013, the Company also issued Sustainable Sukuk Ijarah I PLN I Year 2013 with a nominal value of Rp 121,000 million with PT Bank Permata Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp 9,680 million is payable on a quarterly basis, starting from October 5, 2013 until the maturity date of the Sukuk Ijarah.

PLN XII Bonds Year 2010

On July 8, 2010, the Company issued PLN XII Bonds Year 2010 with a total nominal value of Rp 2,500,000 million consisting of Series A and Series B bonds with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the bonds. Series A bonds has been repaid in the year 2015.

Sukuk Ijarah PLN V Year 2010

Concurrent with the issuance of PLN XII Bonds Year 2010, the Company also issued Sukuk Ijarah PLN V Year 2010 with a nominal value of Rp 500,000 million, consisting of Series A and Series B bonds with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp 15,520 million for Series A bonds and Rp 35,360 million for Series B bonds is payable on a quarterly basis, starting from October 8, 2010 until the maturity date of the bonds. Series A bonds has been repaid in the year 2015.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah (lanjutan)

Obligasi PLN XI Tahun 2010

Pada tanggal 12 Januari 2010, Perusahaan menerbitkan Obligasi PLN XI Tahun 2010 dengan jumlah nilai nominal sebesar Rp 2.703.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah PLN IV Tahun 2010

Bersamaan dengan penerbitan Obligasi PLN XI Tahun 2010, Perusahaan juga menerbitkan Sukuk Ijarah PLN IV Tahun 2010 dengan nilai nominal sebesar Rp 297.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 15.535 juta per tahun untuk obligasi Seri A dan Rp 20.958 juta per tahun untuk obligasi Seri B dan dibayarkan setiap tiga bulan sejak 12 April 2010 sampai dengan tanggal jatuh tempo obligasi.

Obligasi PLN IX Tahun 2007

Pada tanggal 10 Juli 2007, Perusahaan menerbitkan Obligasi PLN IX Tahun 2007 dengan jumlah nilai nominal Rp 2.700.000 juta, terdiri dari Obligasi Seri A dan Obligasi Seri B, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 10 Oktober 2007 sampai dengan tanggal jatuh tempo obligasi.

Sukuk Ijarah PLN II Tahun 2007

Bersamaan dengan penerbitan Obligasi PLN IX Tahun 2007, Perusahaan juga menerbitkan Sukuk Ijarah PLN II Tahun 2007 dengan nilai nominal Rp 300.000 juta jangka waktu sepuluh tahun, dengan PT Bank CIMB Niaga Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 31.200 juta per tahun dan dibayarkan setiap tiga bulan sejak 10 Oktober 2007 sampai dengan tanggal jatuh tempo obligasi.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds (continued)

PLN XI Bonds Year 2010

On January 12, 2010, the Company issued PLN XI Bonds Year 2010 with a total nominal value of Rp 2,703,000 million, consisting of Series A and Series B bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the bonds.

Sukuk Ijarah PLN IV Year 2010

Concurrent with the issuance of PLN XI Bonds Year 2010, the Company also issued Sukuk Ijarah PLN IV Year 2010 with a nominal value of Rp 297,000 million consisting of Series A and Series B bonds with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp 15,535 million for Series A bonds and Rp 20,958 million for Series B bonds is payable on a quarterly basis, starting from April 12, 2010 until the maturity date of the bonds.

PLN IX Bonds Year 2007

On July 10, 2007, the Company issued PLN IX Bonds Year 2007 with a total nominal value of Rp 2,700,000 million consisting of Series A and Series B bonds, with PT Bank CIMB Niaga Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from October 10, 2007 until the maturity date of the bonds.

Sukuk Ijarah PLN II Year 2007

Concurrent with the issuance of PLN IX Bonds Year 2007, the Company also issued Sukuk Ijarah PLN II Year 2007 with a nominal value of Rp 300,000 million with a term of ten years, with PT Bank CIMB Niaga Tbk acting as the Trustee. The total ijarah fee per annum amounting to Rp 31,200 million is payable on a quarterly basis, starting from October 10, 2007 until the maturity date of the bonds.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah (lanjutan)

Obligasi PLN VIII Tahun 2006

Pada tanggal 21 Juni 2006, Perusahaan menerbitkan Obligasi PLN VIII Tahun 2006 dengan jumlah nilai nominal Rp 2.200.100 juta, dengan PT Bank Mega Tbk bertindak sebagai Wali Amanat. Bunga dibayarkan setiap tiga bulan sejak 21 September 2006 sampai dengan tanggal jatuh tempo obligasi.

Sejak tanggal 18 Maret 2008, Wali Amanat berganti menjadi PT Bank Tabungan Negara (Persero) sesuai dengan Berita Acara Rapat Umum Pemegang Obligasi PLN VIII Tahun 2006 yang tertuang dalam Akta No. 34 dari Ny. Poerbaningsih Adi Warsito, S.H., notaris di Jakarta.

Obligasi Syariah Ijarah PLN I Tahun 2006

Bersamaan dengan penerbitan Obligasi PLN VIII Tahun 2006, Perusahaan juga menerbitkan Obligasi Syariah Ijarah PLN I Tahun 2006 dengan nilai nominal Rp 200.000 juta, dengan PT Bank Mega Tbk bertindak sebagai Wali Amanat. Jumlah imbalan ijarah sebesar Rp 6.800 juta per tiga bulan sejak 21 September 2006 sampai dengan tanggal jatuh tempo obligasi.

Sejak tanggal 18 Maret 2008, Wali Amanat berganti menjadi PT Bank Tabungan Negara (Persero) sesuai dengan Berita Acara Rapat Umum Pemegang Obligasi Syariah Ijarah PLN I Tahun 2006 yang tertuang dalam Akta No. 35 dari Ny. Poerbaningsih Adi Warsito, S.H., notaris di Jakarta.

Sehubungan dengan penerbitan obligasi di atas, masing-masing perjanjian perwaliamanatan menetapkan antara lain bahwa:

- Satu tahun sejak tanggal emisi, Perusahaan dapat membeli kembali sebagian atau seluruh obligasi ini sebelum tanggal pelunasan pokok obligasi.
- Seluruh obligasi ini tidak dijamin secara khusus, namun dijamin dengan seluruh aset Perusahaan, serta hak pemegang obligasi adalah pari passu tanpa hak khusus dengan hak-hak kreditur lain.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds (continued)

PLN VIII Bonds Year 2006

On June 21, 2006, the Company issued PLN VIII Bonds Year 2006 with a total nominal value of Rp 2,200,100 million with PT Bank Mega Tbk acting as the Trustee. The interest is payable on a quarterly basis, starting from September 21, 2006 until the maturity date of the bonds.

On March 18, 2008, the acting Trustee was changed to PT Bank Tabungan Negara (Persero) in accordance with the Minutes of Meeting of the Bond holders of PLN VIII Bonds Year 2006, as documented in Notarial Deed No. 34 of Mrs. Poerbaningsih Adi Warsito, S.H., notary in Jakarta.

Syariah Ijarah PLN I Bonds Year 2006

Concurrent with the issuance of PLN VIII Bonds Year 2006, the Company also issued Syariah Ijarah PLN I Bonds Year 2006 with a nominal value of Rp 200,000 million, with PT Bank Mega Tbk acting as the Trustee. The ijarah fee amounting to Rp 6,800 million is payable on a quarterly basis, starting from September 21, 2006 until the maturity date of the bonds.

On March 18, 2008, the acting Trustee was changed to PT Bank Tabungan Negara (Persero) in accordance with the Minutes of Meeting of the Bondholders of Syariah Ijarah PLN I Bonds Year 2006, as documented in Notarial Deed No. 35 of Mrs. Poerbaningsih Adi Warsito, S.H., notary in Jakarta.

In relation to the issuance of the bonds above, each trustee agreement stipulates, among others that:

- After one year from the issuance date, the Company is allowed to buy-back either a portion or the entire bonds before the maturity date.
- The bonds are not secured by specific collateral but secured by all of the Company's assets and the bondholders' rights are pari passu without preference to the other creditors.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah (lanjutan)

- Perusahaan tanpa persetujuan tertulis dari Wali Amanat tidak akan melakukan antara lain (a) menjaminkan harta kekayaan Perusahaan; (b) memberikan penjaminan; (c) memberikan pinjaman kepada pihak lain; (d) mengadakan penggabungan, konsolidasi dan akuisisi yang menyebabkan Perusahaan bubar; (e) mengalihkan aset tetap; memberikan izin kepada entitas anak untuk memberikan pinjaman kepada pihak lain atau melakukan investasi; (f) menerbitkan obligasi dengan kedudukan lebih tinggi; dan (g) mengubah bidang usaha; mengurangi modal dasar; modal ditempatkan dan disetor.

Selain itu Perusahaan juga diwajibkan memenuhi: (a) rasio jumlah liabilitas keuangan terhadap jumlah aset tidak lebih dari 80%; (b) kecuali untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010, rasio antara laba sebelum beban bunga, pajak dan penyusutan dan amortisasi (termasuk perhitungan aktuarial imbalan kerja) - EBITDA dengan beban bunga minimum 2 : 1, untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah IV Tahun 2010 minimum rasio adalah 1,5 : 1; (c) rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas berbunga yang tidak dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank) minimum 150% untuk Obligasi PLN VIII tahun 2006 dan Obligasi Syariah Ijarah PLN I tahun 2006, dan rasio aset pembangkit listrik, jaringan transmisi dan distribusi terhadap liabilitas berbunga yang tidak dijamin dengan jaminan khusus (tidak termasuk penerusan pinjaman, pinjaman langsung, obligasi internasional dan utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank) minimum 125% untuk Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010, dan Obligasi PLN IX Tahun 2007 dan Sukuk Ijarah PLN II Tahun 2007.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds (continued)

- The Company is restricted by certain covenants, which require written approval from the Trustee to: (a) use the Company's assets as collateral; (b) act as a guarantor; (c) grant a loan to another party; (d) perform any merger, consolidation or acquisition that would cause the Company to be dissolved; (e) transfer the Company's property, plant and equipment, or allow subsidiaries to grant a loan to another party or to make an investment; (f) issue higher ranking bonds; and (g) change the business activities and decrease the Company's authorized, subscribed and paid-up capital.

The Company is also required to maintain the following: (a) a ratio of total financial liabilities to total assets not exceeding 80%; (b) except for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the ratio of EBITDA to interest expense at a minimum of 2 : 1, for PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010, the minimum ratio is 1.5 : 1 ; (c) a ratio of power plant, transmission and distribution facilities to interest-bearing liabilities which are not secured by specific collaterals (excluding two-step loans and Government and non bank Government Financial Institution Loans) at a minimum of 150% for PLN VIII Bonds Year 2006 and Syariah Ijarah PLN I Bonds Year 2006, and a ratio of power plant, transmission and distribution facilities to interest bearing liabilities which are not secured by specific collaterals (excluding two-step loans, direct loans, global bonds and Government and non bank Government Financial Institution Loans) at a minimum of 125% for the PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah PLN IV Year 2010, and PLN IX Bonds Year 2007 and Sukuk Ijarah PLN II Year 2007.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

Obligasi Rupiah (lanjutan)

- Untuk Sukuk Ijarah PLN II Tahun 2007 dan Obligasi Syariah Ijarah PLN I Tahun 2006, Perusahaan setuju untuk mengalihkan manfaat mesin pembangkit tenaga diesel dan perangkat trafo tertentu kepada pemegang obligasi dan pemegang obligasi memberikan kuasa kepada Perusahaan untuk membuat dan melangsungkan perjanjian dengan pihak ketiga sebagai pengguna trafo tersebut untuk kepentingan pemegang obligasi. Perusahaan juga menerima kuasa dari Wali Amanat untuk membuat dan melangsungkan perjanjian dengan pihak ketiga sebagai pengguna trafo tersebut untuk melaksanakan penagihan piutang terkait.
- Perusahaan tidak disyaratkan untuk membentuk penyisihan dana pelunasan obligasi.

Dana yang diperoleh dari penerbitan Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013, Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap I Tahun 2013, Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah PLN V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010 digunakan untuk kegiatan investasi transmisi dan distribusi. Dana yang diperoleh dari penerbitan Obligasi PLN VII tahun 2004 digunakan untuk membiayai kembali proyek Pembangkit Listrik Tenaga Gas dan Uap ("PLTGU") Muara Tawar. Dana yang diperoleh dari penerbitan obligasi lainnya digunakan untuk kebutuhan modal kerja antara lain untuk pengadaan bahan bakar.

Perusahaan memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat masing-masing obligasi.

Pada tanggal 31 Desember 2015, Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahap II Tahun 2013, Obligasi Berkelanjutan I PLN Tahun 2013 dan Sukuk Ijarah Berkelanjutan I PLN Tahun 2013, Obligasi PLN XII Tahun 2010 dan Sukuk Ijarah PLN V Tahun 2010, Obligasi PLN XI Tahun 2010 dan Sukuk Ijarah PLN IV Tahun 2010, Obligasi PLN IX Tahun 2007, Sukuk Ijarah PLN II Tahun 2007 dan Obligasi PLN VIII Tahun 2006 dan Obligasi Syariah Ijarah PLN I Tahun 2006 memperoleh peringkat "AAA" dari PT Pemeringkat Efek Indonesia.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

Rupiah Bonds (continued)

- Related to Sukuk Ijarah PLN II Year 2007, and Syariah Ijarah PLN I Bonds Year 2006, the Company has agreed to transfer benefits obtained from certain diesel power plants and transformers of the Company to the bondholders, and the bondholders have agreed to provide the Company with a power of attorney to enter into agreements with transformer users for the benefits of the bondholders. The Company also received a power of attorney from the Trustee to enter into agreements with the transformer users to collect the related receivables.
- The Company was not required to provide sinking fund for such bonds.

The proceeds from the issuance of Sustainable Bonds I PLN II Year 2013 and Sustainable Sukuk Ijarah I PLN II Year 2013, Sustainable Bonds I PLN I Year 2013 and Sustainable Sukuk Ijarah I PLN I Year 2013, PLN XII Bonds Year 2010 and Sukuk Ijarah V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah IV Year 2010 were used to finance the transmission and distribution of construction projects. The proceeds from the issuance of PLN VII Bonds Year 2004 were used to refinance the Gas and Steam Powered Power Plant ("PLTGU") Muara Tawar Project. The proceeds from the other bonds issued were used for working capital requirements which, among other items, includes the purchase of fuel.

The Company complies with the restrictions specified within the agreements with the acting Trustee of the corresponding bond obligations.

As of December 31, 2015, Sustainable Bonds I PLN II Year 2013 and Sustainable Sukuk Ijarah I PLN II Year 2013, Sustainable Bonds I PLN Year 2013 and Sustainable Sukuk Ijarah I PLN Year 2013, the PLN XII Bonds Year 2010 and Sukuk Ijarah PLN V Year 2010, PLN XI Bonds Year 2010 and Sukuk Ijarah PLN IV Year 2010, PLN IX Bonds Year 2007 and Sukuk Ijarah PLN II Year 2007, PLN VIII Bonds Year 2006 and Syariah Ijarah PLN I Bonds Year 2006 are rated as "AAA" by PT Pemeringkat Efek Indonesia.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

**Surat Utang Jangka Menengah Global dan
Obligasi Terjamin - US\$**

**Global Medium Term Notes and Guaranteed
Notes - US\$**

Rincian Surat Utang Jangka Menengah Global dan Obligasi Terjamin adalah sebagai berikut:

The details of Global Medium Term Notes and Guaranteed Notes are as follows:

	Pokok/ <i>Principal</i> *) US\$	Harga penerbitan/ <i>Issuing price</i>	Tanggal jatuh tempo/ <i>Maturity date</i>	Tingkat bunga/ <i>Interest rate</i>	
<u>Surat Utang Jangka Menengah Global</u>					<u>Global Medium Term Notes</u>
Penerbitan tahun 2012 Jatuh tempo 2042	1.000.000.000	98,51%	24 Oktober 2042/ October 24, 2042	5,25%	Issued in 2012 Due in 2042
Penerbitan tahun 2011 Jatuh tempo 2021	1.000.000.000	99,05%	22 Nopember 2021/ November 22, 2021	5,50%	Issued in 2011 Due in 2021
<u>Obligasi Terjamin</u>					<u>Guaranteed Notes</u>
Penerbitan tahun 2009 Jatuh tempo 2020	1.250.000.000	99,15%	20 Januari 2020/ January 20, 2020	7,75%	Issued in 2009 Due in 2020
Jatuh tempo 2019	750.000.000	99,15%	7 Agustus 2019/ August 7, 2019	8,00%	Due in 2019
Sub jumlah	2.000.000.000				Sub total
Penerbitan tahun 2007 Jatuh tempo 2017	500.000.000	99,13%	28 Juni 2017/ June 28, 2017	7,25%	Issued in 2007 Due in 2017
Jatuh tempo 2037	500.000.000	98,59%	29 Juni 2037/ June 29, 2037	7,87%	Due in 2037
Sub jumlah	1.000.000.000				Sub total
Penerbitan tahun 2006 Jatuh tempo 2016	550.000.000	98,98%	17 Oktober 2016/ October 17, 2016	7,75%	Issued in 2006 Due in 2016
Sub jumlah	550.000.000				Sub total
Jumlah	5.550.000.000				Total

*) dalam jumlah penuh/in full amount

Surat Utang Jangka Menengah Global

Global Medium Term Notes

Pada tanggal 24 Oktober 2012, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$ 1.000 juta dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 24 Mei 2013 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

On October 24, 2012, the Company issued Global Medium Term Notes amounting to US\$ 1,000 million, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from May 24, 2013 until the maturity date of the Global Medium Term Notes.

Pada tanggal 22 Nopember 2011, Perusahaan menerbitkan Surat Utang Jangka Menengah sejumlah US\$ 1.000 juta dalam program Surat Utang Jangka Menengah Global dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 22 Mei 2012 sampai dengan tanggal jatuh tempo Surat Utang Jangka Menengah Global.

On November 22, 2011, the Company issued Global Medium Term Notes amounting to US\$ 1,000 million, under the Global Medium Term Notes program with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from May 22, 2012 until the maturity date of the Global Medium Term Notes.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

**Surat Utang Jangka Menengah Global dan
Obligasi Terjamin - US\$** (lanjutan)

Obligasi Terjamin

Penerbitan tahun 2009

Pada tanggal 6 Nopember 2009, Majapahit Holding B.V. (MH), Belanda, entitas anak, menerbitkan Obligasi Terjamin sejumlah US\$ 1.250 juta dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 20 Januari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Pada tanggal 7 Agustus 2009, MH menerbitkan Obligasi Terjamin sejumlah US\$ 750 juta dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 8 Februari 2010 sampai dengan jatuh tempo Obligasi Terjamin.

Penerbitan tahun 2007

Pada tanggal 28 Juni 2007, MH menerbitkan Obligasi Terjamin sejumlah US\$ 1.000 juta dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 28 Desember 2007 sampai dengan jatuh tempo Obligasi Terjamin.

Penerbitan tahun 2006

Pada tanggal 16 Oktober 2006, MH menerbitkan Obligasi Terjamin sejumlah US\$ 1.000 juta dengan Deutsche Bank Trust Company Americas sebagai Wali Amanat. Bunga dibayarkan setiap enam bulan sejak 17 April 2007 sampai dengan tanggal jatuh tempo Obligasi Terjamin.

Pada tanggal 17 Oktober 2011, MH melunasi Obligasi Terjamin yang telah jatuh tempo dengan harga nominal sebesar US\$ 450 juta.

Obligasi ini tidak dapat dibatalkan dan dijamin tanpa syarat oleh Perusahaan dan entitas anak, jika ada.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

**Global Medium Term Notes and Guaranteed
Notes - US\$** (continued)

Guaranteed Notes

Issued in 2009

On November 6, 2009, Majapahit Holding B.V. (MH), The Netherlands, a wholly-owned special-purpose subsidiary, issued Guaranteed Notes amounting to US\$ 1,250 million, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from January 20, 2010 until the maturity date of the Guaranteed Notes.

On August 7, 2009, MH issued Guaranteed Notes amounting to US\$ 750 million, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from February 8, 2010 until the maturity date of the Guaranteed Notes.

Issued in 2007

On June 28, 2007, MH issued Guaranteed Notes amounting to US\$ 1,000 million, with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually starting from December 28, 2007 until the maturity date of the Guaranteed Notes.

Issued in 2006

On October 16, 2006, MH issued Guaranteed Notes amounting to a total of US\$ 1,000 million with Deutsche Bank Trust Company Americas acting as the Trustee. The interest is payable semi-annually from April 17, 2007 until the maturity date of the Guaranteed Notes.

On October 17, 2011, MH paid the Guaranteed Notes which had matured at a nominal price of US\$ 450 million.

These Guaranteed Notes are irrevocably and unconditionally guaranteed by the Company and its subsidiaries, if any.

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**27. UTANG OBLIGASI DAN SUKUK IJARAH
(lanjutan)**

**Surat Utang Jangka Menengah Global dan
Obligasi Terjamin - US\$** (lanjutan)

Obligasi Terjamin (lanjutan)

Penerbitan tahun 2006 (lanjutan)

Perjanjian perwaliamanatan menetapkan bahwa:

- Tidak lebih dari 30 hari sejak dua kejadian dimana Pemerintah Indonesia kehilangan kepemilikan lebih dari 50%, baik langsung maupun tidak langsung, hak suara pada Perusahaan atau, jika dan ketika diterbitkan saham Dwiwarna Seri A dan kejadian yang menurunkan peringkat (*Change of Control Triggering Event*), MH dapat diminta untuk melakukan penawaran untuk membeli kembali Obligasi Terjamin dengan harga 101% dari nilai nominal ditambah bunga terutang sampai tanggal pembelian kembali. MH mempunyai opsi dalam waktu tertentu untuk menebus kembali seluruh Obligasi Terjamin ini dengan harga 100% dari nilai nominal, bersama dengan utang bunga dalam hal terjadinya perubahan tertentu terhadap perpajakan di Belanda atau Indonesia.
- Pembatasan tertentu termasuk antara lain: penambahan pinjaman sesuai dengan "Rasio Pengecualian", yang setelah memperhitungkan pengaruhnya terhadap pinjaman diperkenankan minimum 2 : 1; pemberian jaminan; pembayaran dividen; penggabungan usaha, akuisisi dan penjualan aset.

Perusahaan dan entitas anak memenuhi pembatasan-pembatasan yang ditentukan dalam perjanjian Wali Amanat.

Dana yang diperoleh dari penerbitan Surat Utang Jangka Menengah Global dan Obligasi Terjamin ini digunakan untuk mendanai kebutuhan investasi program percepatan pembangunan fasilitas tenaga listrik, konstruksi rutin dan untuk tujuan umum korporasi.

Pada tanggal 31 Desember 2015, Surat Utang Jangka Menengah Global ini memperoleh peringkat "Baa3 stable" dari Moody's Investor Service, Inc., dan "BB" dari Standard and Poor's serta "BBB-" dari Fitch.

Pada tanggal 31 Desember 2015, Obligasi Terjamin ini memperoleh peringkat "Baa3" dari Moody's Investor Service, Inc., dan "BB" dari Standard and Poor's serta "BBB-" dari Fitch.

**27. BONDS PAYABLE AND SUKUK IJARAH
(continued)**

**Global Medium Term Notes and Guaranteed
Notes - US\$** (continued)

Guaranteed Notes (continued)

Issued in 2006 (continued)

The Indenture governs that:

- No later than 30 days following the occurrence of two separate events in which the Government of the Republic of Indonesia ceases to own, directly or indirectly, more than 50% of the voting securities of the Company or, if and when issued, the Class A Dwiwarna Share, and an event in which a rating declines (*Change of Control Triggering Event*), MH may be required to make an offer to repurchase all Guaranteed Notes outstanding at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase. The Guaranteed Notes are subject to redemption in whole, at 100% of their principal amount, together with any accrued interest, at the option of MH at a certain time in the event of certain changes affecting the taxes of the Netherlands or Indonesia.
- Certain covenants, including, among others, the incurrence of additional indebtedness along with the "Ratio Exception", that after giving effect to the permitted indebtedness is at least 2 : 1; the incurrence of liens; the payment of dividends; mergers, acquisitions and disposals.

The Company and its subsidiaries complied with the restrictions specified within the agreements with the acting Trustee.

The proceeds from the Global Medium Term Notes and Guaranteed Notes issued were used to fund the capital expenditure requirements in connection with the fast track program, regular construction and for general corporate purposes.

As of December 31, 2015, these Global Medium Term Notes are rated as "Baa3 stable" by Moody's Investors Service, Inc., and "BB" by Standard and Poor's and "BBB-" by Fitch.

As of December 31, 2015, these Guaranteed Notes are rated as "Baa3" by Moody's Investors Service, Inc., and "BB" by Standard and Poor's and "BBB-" by Fitch.

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28. UTANG LISTRIK SWASTA

Akun ini merupakan utang listrik swasta yang direstrukturisasi melalui renegotiasi dengan penyedia dan pengembang listrik swasta dengan rincian sebagai berikut:

a. Berdasarkan pemasok

	<u>2015</u>	<u>2014</u>
PT Paiton Energy (US\$ 536.750.707 tahun 2015 dan US\$ 558.350.954 tahun 2014)	7.404.476	6.945.886
Dikurangi bagian yang jatuh tempo dalam satu tahun	<u>311.196</u>	<u>291.744</u>
Bagian jangka panjang	<u>7.093.280</u>	<u>6.654.142</u>

b. Berdasarkan jadwal pembayaran pokok

	<u>2015</u>	<u>2014</u>
Dibayarkan:		
Dalam satu tahun	311.196	291.744
Pada tahun kedua	328.079	283.112
Pada tahun ketiga	344.219	297.040
Pada tahun keempat	361.153	311.653
Setelah lima tahun	<u>6.059.829</u>	<u>5.762.337</u>
Jumlah pembayaran	<u>7.404.476</u>	<u>6.945.886</u>

Utang kepada PT Paiton Energy dikenakan bunga per tahun masing-masing sebesar 4,81% dibayar dalam 360 kali angsuran bulanan sejak 1 Januari 2002 sampai dengan 1 Desember 2031.

29. UTANG PIHAK BERELASI

	<u>2015</u>	<u>2014</u>
PT Mitra Energi Batam	2.196	5.434
PT Dalle Energy Batam	<u>370</u>	<u>1.897</u>
Jumlah	<u>2.566</u>	<u>7.331</u>

PT Mitra Energi Batam (MEB) dan PT Dalle Energy Batam (DEB)

Utang kepada MEB dan DEB merupakan utang oleh PLN Batam masing-masing untuk pembelian switchyard dan hutang atas setoran saham yang belum dibayarkan penuh oleh PLN Batam.

28. ELECTRICITY PURCHASE PAYABLE

This account represents electricity purchase payable, which was restructured through renegotiation with independent power producers with the following details:

a. By creditor

	<u>2015</u>	<u>2014</u>
PT Paiton Energy (US\$ 536,750,707 in 2015 and US\$ 558,350,954 in 2014)	6.945.886	6.945.886
Less current portion	<u>291.744</u>	<u>291.744</u>
Long-term portion	<u>6.654.142</u>	<u>6.654.142</u>

b. By installment schedule, at nominal amount

	<u>2015</u>	<u>2014</u>
Payable in:		
Within one year	291.744	291.744
In the second year	283.112	283.112
In the third year	297.040	297.040
In the fourth year	311.653	311.653
After five years	<u>5.762.337</u>	<u>5.762.337</u>
Total payments	<u>6.945.886</u>	<u>6.945.886</u>

Payables to PT Paiton Energy bear annual interest of 4.81% and are payable in 360 monthly installments from January 1, 2002 until December 1, 2031.

29. PAYABLE TO RELATED PARTIES

	<u>2015</u>	<u>2014</u>
PT Mitra Energi Batam	5.434	5.434
PT Dalle Energy Batam	<u>1.897</u>	<u>1.897</u>
Total	<u>7.331</u>	<u>7.331</u>

PT Mitra Energi Batam (MEB) and PT Dalle Energy Batam (DEB)

Payable to MEB and DEB are payable by PLN Batam for purchases of switchyard and historical subscription of shares that have not been fully paid by PLN Batam.

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30. UTANG USAHA

Akun ini merupakan liabilitas sehubungan dengan pembelian tenaga listrik, bahan bakar, barang dan jasa, dengan rincian sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Pihak berelasi			<i>Related parties</i>
Pembelian tenaga listrik	835.230	519.356	<i>Purchases of electricity</i>
Pembelian bahan bakar, barang dan jasa	<u>8.075.208</u>	<u>12.135.635</u>	<i>Purchases of fuel, goods and services</i>
Sub jumlah	<u>8.910.438</u>	<u>12.654.991</u>	<i>Sub total</i>
Pihak ketiga			<i>Third parties</i>
Pembelian tenaga listrik	1.517.982	3.588.983	<i>Purchases of electricity</i>
Pembelian bahan bakar, barang dan jasa			<i>Purchases of fuel, goods and services</i>
Lainnya (masing-masing dibawah 5% dari sub jumlah)	<u>16.197.581</u>	<u>10.040.181</u>	<i>Others (each below 5% of sub total)</i>
Sub jumlah	<u>17.715.563</u>	<u>13.629.164</u>	<i>Sub total</i>
Jumlah utang usaha	<u>26.626.001</u>	<u>26.284.155</u>	<i>Total trade accounts payable</i>

Rincian utang usaha dalam mata uang asing adalah sebagai berikut:

Details of trade accounts payable in foreign currencies are as follows:

	<u>2015</u>		<u>2014</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	
US\$	333.184.447	4.596.279	356.085.611	4.429.705	<i>US\$</i>
EUR	1.747.171	<u>26.329</u>	13.307.109	<u>201.380</u>	<i>EUR</i>
Jumlah		<u>4.622.608</u>		<u>4.631.085</u>	<i>Total</i>

*) Dalam jumlah penuh/*In full amount*

31. UTANG LAIN-LAIN

	<u>2015</u>	<u>2014</u>	
Perolehan aset tetap dan pekerjaan dalam pelaksanaan			<i>Acquisition of property, plant and equipment and construction in progress</i>
Rupiah	10.524.018	9.532.838	<i>Rupiah</i>
US\$ 476.854.332 tahun 2015 dan US\$ 322.188.702 tahun 2014)	6.578.206	4.008.027	<i>US\$ 476,854,332 in 2015, and US\$ 322,188,702 in 2014)</i>
EUR nihil tahun 2015 dan EUR 11.446.166 tahun 2014)	-	173.218	<i>EUR nil in 2015 and EUR 11,446,166 in 2014)</i>
CHF 22.829.603 tahun 2015 dan CHF 30.396.839 tahun 2014)	318.503	382.478	<i>CHF 22,829,603 in 2015 and CHF 30,396,839 in 2014)</i>
JPY 899.991.211 tahun 2015 dan JPY 644.740.431 tahun 2014)	103.071	67.213	<i>JPY 899,991,211 in 2015 and JPY 644,740,431 in 2014)</i>
Pemerintah daerah	1.720.213	1.654.098	<i>Regional government</i>
Uang muka penjualan tenaga listrik	542.772	420.318	<i>Advances received on sale of electricity</i>
Karyawan	24.671	19.278	<i>Employees</i>
Lain-lain	<u>444.832</u>	<u>188.500</u>	<i>Others</i>
Jumlah	<u>20.256.286</u>	<u>16.445.968</u>	<i>Total</i>
Dikurangi bagian jangka panjang	<u>67.678</u>	<u>98.771</u>	<i>Less long-term portion</i>
Bagian jangka pendek	<u>20.188.608</u>	<u>16.347.197</u>	<i>Current portion</i>

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31. UTANG LAIN-LAIN (lanjutan)

Pemerintah daerah

Utang kepada pemerintah daerah merupakan jumlah yang ditagih Perusahaan dan entitas anak dari pelanggan untuk pajak penerangan jalan umum. Selanjutnya jumlah yang dipungut akan diteruskan kepada pemerintah daerah.

Uang muka penjualan tenaga listrik

Akun ini merupakan kas yang diterima atas penjualan listrik prabayar.

Karyawan

Utang kepada karyawan terutama merupakan penerimaan dimuka atas cicilan penjualan rumah dinas.

31. OTHER PAYABLES (continued)

Regional government

The payable to regional government represents the amount collected by the Company and its subsidiaries from customers for streetlight taxes. This is subsequently remitted to the respective regional government.

Advances received on sale of electricity

This account represents cash received from the sale of prepaid electricity.

Employees

Payable to employees mainly represents receipt of advance installment payment from employees related to house installment.

32. UTANG PAJAK

32. TAXES PAYABLE

	<u>2015</u>	<u>2014</u>	
Perusahaan			<i>The Company</i>
Pajak lain-lain			<i>Other taxes</i>
Pasal 21	51.194	67.357	<i>Article 21</i>
Pasal 22	37.114	36.906	<i>Article 22</i>
Pasal 23	44.388	40.500	<i>Article 23</i>
Pasal 4(2), 15, 25 dan 26	525.764	143.964	<i>Article 4(2), 15, 25 and 26</i>
Pajak pertambahan nilai	388.708	445.747	<i>Value added tax</i>
Bea materai	10.871	15.872	<i>Stamp duty</i>
Pajak bumi dan bangunan	-	80	<i>Land rights and building taxes</i>
Pajak selisih penilaian kembali aset tetap	4.172.004	-	<i>Tax on revaluation increment on property, plant and equipment</i>
Entitas Anak			<i>Subsidiaries</i>
Pajak penghasilan badan	136.711	204.622	<i>Corporate income tax</i>
Pajak lain-lain			<i>Other taxes</i>
Pasal 21	50.893	50.705	<i>Article 21</i>
Pasal 22	23.710	-	<i>Article 22</i>
Pasal 23	18.671	16.509	<i>Article 23</i>
Pasal 4(2), 15, 25 dan 26	126.740	42.721	<i>Article 4(2), 15, 25 and 26</i>
Pajak pertambahan nilai	143.649	83.698	<i>Value added tax</i>
Pajak bumi dan bangunan	2.585	2.567	<i>Land rights and building taxes</i>
Pajak selisih penilaian kembali aset tetap	9.398.855	-	<i>Tax on revaluation increment on property, plant and equipment</i>
Jumlah	<u>15.131.857</u>	<u>1.151.248</u>	Total

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33. BIAYA MASIH HARUS DIBAYAR

33. ACCRUED EXPENSES

	<u>2015</u>	<u>2014</u>	
Bunga dan beban keuangan			<i>Interest and financing charges</i>
Pihak berelasi			<i>Related parties</i>
Penalti atas pembelian BBM	18.572	18.572	<i>Penalties on purchases of fuel</i>
Utang bank	361.470	344.019	<i>Bank loans</i>
Utang penerusan pinjaman	219.259	227.981	<i>Two-step loans</i>
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank	<u>114.460</u>	<u>30.163</u>	<i>Government and non bank Government Financial Institution Loans</i>
Jumlah pihak berelasi	<u>713.761</u>	<u>620.735</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Utang bank	400.030	400.497	<i>Bank loans</i>
Utang obligasi dan sukuk ijarah	1.501.038	1.319.546	<i>Bonds payable and sukuk ijarah</i>
Utang sewa pembiayaan	2.873.340	2.141.306	<i>Lease liabilities</i>
Utang listrik swasta	<u>54.795</u>	<u>48.837</u>	<i>Electricity purchase payable</i>
Jumlah pihak ketiga	<u>4.829.203</u>	<u>3.910.186</u>	<i>Total third parties</i>
Liabilitas imbalan kerja karyawan jangka pendek			<i>Short-term employee benefits obligation</i>
Bonus dan insentif prestasi kerja	4.582.633	3.573.807	<i>Bonus and performance incentives</i>
Lain-lain	<u>-</u>	<u>166.055</u>	<i>Others</i>
Jumlah liabilitas imbalan kerja karyawan jangka pendek	<u>4.582.633</u>	<u>3.739.862</u>	<i>Total short-term employee benefits obligation</i>
Sub jumlah	10.125.597	8.270.783	<i>Sub total</i>
Biaya operasional	<u>501.458</u>	<u>1.132.370</u>	<i>Operational charges</i>
Jumlah	<u>10.627.055</u>	<u>9.403.153</u>	<i>Total</i>

Rincian biaya masih harus dibayar dalam mata uang asing adalah sebagai berikut:

Details of accrued expenses in foreign currencies are as follows:

	<u>2015</u>		<u>2014</u>		
	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>	<u>Ekuivalen Rp/ Rp equivalent</u>	
US\$	279.346.037	3.853.579	264.749.763	3.293.487	<i>US\$</i>
JPY	4.930.820.534	564.698	4.294.224.806	447.668	<i>JPY</i>
EUR	1.015.374	15.301	677.691	10.256	<i>EUR</i>
Lain-lain **)	<u>172.667</u>	<u>2.382</u>	<u>227.936</u>	<u>2.836</u>	<i>Others **)</i>
Jumlah	<u>4.435.960</u>	<u>4.435.960</u>	<u>3.754.247</u>	<u>3.754.247</u>	<i>Total</i>

*) Dalam jumlah penuh

**) Biaya masih harus dibayar dalam mata uang asing lainnya disajikan setara US\$ dengan menggunakan kurs tanggal pelaporan.

*) *In full amount*

**) *Accrued expenses denominated in other foreign currencies are presented as US\$ equivalents using the exchange rates prevailing at reporting date.*

34. UANG JAMINAN LANGGANAN

Akun ini merupakan uang jaminan langganan yang ditentukan berdasarkan besar daya dan golongan tarif. Uang jaminan langganan akan dikembalikan apabila pelanggan berhenti menjadi pelanggan, dengan memperhitungkan rekening listrik belum dibayar.

34. CUSTOMERS' SECURITY DEPOSITS

This account represents security deposits from customers determined based on power supply and electricity tariff. Customer security deposits will be refunded, net of unpaid electricity bills, upon discontinuation of customers' subscriptions.

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35. UTANG BIAYA PROYEK

Akun ini merupakan utang kepada kontraktor atas biaya konstruksi dan pengadaan material yang akan direklasifikasi ke akun penerusan pinjaman pada saat penerbitan *Withdrawal Authorization* (WA) atau dokumen lain yang sejenis.

35. PROJECT COST PAYABLE

This account represents payable to contractors arising from construction of property and equipment and purchases of materials. This account will be reclassified into the two-step loans account when the Company receives the Withdrawal Authorization (WA) or other similar documents.

36. PENJUALAN TENAGA LISTRIK

Penjualan tenaga listrik menurut pelanggan adalah sebagai berikut:

36. SALE OF ELECTRICITY

Sale of electricity by customers is as follows:

	2015			2014			
	Bruto/ Gross	Masa uji coba/ Commissioning test	Bersih/ Net	Bruto/ Gross	Masa uji coba/ Commissioning test	Bersih/ Net	
Pihak berelasi							<i>Related parties</i>
Badan Usaha Milik Negara	5.428.312	(29.724)	5.398.588	5.108.161	(24.136)	5.084.025	<i>State-owned enterprises</i>
Pihak ketiga							<i>Third parties</i>
Umum	194.460.159	(1.138.812)	193.321.347	173.335.416	(818.309)	172.517.107	<i>Public</i>
Institusi Pemerintah lainnya	10.080.266	(49.702)	10.030.564	8.055.297	(38.292)	8.017.005	<i>Other Government Institution</i>
TNI dan Polri	1.100.897	(6.855)	1.094.042	1.020.696	(4.349)	1.016.347	<i>Indonesian Armed Forces</i>
Jumlah pihak ketiga	205.641.322	(1.195.369)	204.445.953	182.411.409	(860.950)	181.550.459	<i>Total of third parties</i>
Jumlah	211.069.634	(1.225.093)	209.844.541	187.519.570	(885.086)	186.634.484	<i>Total</i>

Testing dan komisioning (*commissioning test*) merupakan serangkaian kegiatan pemeriksaan dan pengujian instalasi listrik yang telah selesai dikerjakan dan hendak dioperasikan. Beban dan pendapatan atas penjualan tenaga listrik yang terjadi pada masa komisioning dikapitalisasi ke Pekerjaan Dalam Pelaksanaan (PDP) konstruksi dikarenakan instalasi listrik belum beroperasi.

Testing and commissioning (commissioning test) is a series of inspection and testing activities for electrical installations that have been completed and are to be operated. The costs and revenues on the sale of electricity that occurred during the commissioning test are capitalized into construction in progress because the electrical installation has not been commercially operated.

Penjualan tenaga listrik tahun 2015 dan 2014 didasarkan pada Tarif Dasar Listrik, yang ditetapkan oleh Pemerintah, sebagai berikut:

Sale of electricity for the year 2015 and 2014 is based on the basic electricity tariff determined by the Government as follows:

- Peraturan Menteri Energi dan Sumber Daya Mineral Republik Indonesia No. 09 Tahun 2014, tentang tarif tenaga listrik yang disediakan oleh Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara yang diperbarui dengan Peraturan Menteri Energi dan Sumber Daya Mineral No. 19 Tahun 2014.
- Peraturan Menteri Energi dan Sumber Daya Mineral Republik Indonesia No. 31 Tahun 2014, tentang tarif tenaga listrik yang disediakan oleh Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara yang diperbarui dengan Peraturan Menteri Energi dan Sumber Daya Mineral No. 9 Tahun 2015.
- Peraturan Walikota Batam No. 40 Tahun 2012, tentang tarif tenaga listrik yang disediakan oleh PT Pelayanan Listrik Nasional Batam.
- Peraturan Gubernur Kepulauan Riau No. 38 Tahun 2015 tentang tarif tenaga listrik yang disediakan oleh PT Pelayanan Listrik Nasional Batam.
- Regulation of the Ministry of Energy and Mineral Resources of the Republic of Indonesia No. 09 Year 2014, regarding the tariff of electricity provided by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara, which has been amended by Regulation of the Ministry of Energy and Mineral Resources No. 19 Year 2014.
- Regulation of the Ministry of Energy and Mineral Resources of the Republic of Indonesia No. 31 Year 2014, regarding the tariff of electricity provided by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara, which has been amended by Regulation of the Ministry of Energy and Mineral Resources No. 9 Year 2015.
- Regulation of the Mayor of Batam No. 40 Year 2012, regarding the price of electricity provided by PT Pelayanan Listrik Nasional Batam.
- Regulation of the Governor of Riau Islands No. 38 Year 2015, regarding the price of electricity provided by PT Pelayanan Listrik Nasional Batam.

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36. PENJUALAN TENAGA LISTRIK (lanjutan)

- Peraturan Walikota Tarakan No. 17 Tahun 2014 tanggal 17 Agustus 2014, tentang pemberlakuan penyesuaian tarif listrik berkala.

Tidak terdapat penjualan kepada pelanggan dengan jumlah melebihi 10% dari penjualan tenaga listrik.

37. SUBSIDI LISTRIK PEMERINTAH

Pemerintah Republik Indonesia memberikan subsidi listrik kepada pelanggan melalui Perusahaan. Tata cara penghitungan dan pembayaran subsidi listrik tahun anggaran 2015 dan 2014 menggunakan Peraturan Menteri Keuangan No.170/PMK.02/2013 tanggal 28 Nopember 2013. Subsidi listrik dihitung dari selisih negatif antara harga jual tenaga listrik rata-rata (Rp/kWh) dari masing-masing golongan tarif dikurangi Biaya Pokok Penyediaan (BPP) tenaga listrik (Rp/kWh) pada tegangan di masing-masing golongan tarif dikalikan volume penjualan (kWh) untuk setiap golongan tarif. BPP tenaga listrik dihitung berdasarkan formula, termasuk tingkat susut jaringan transmisi dan distribusi, yang ditetapkan oleh Menteri Energi dan Sumber Daya Mineral c.q. Direktorat Jenderal Listrik dan Pemanfaatan Energi.

Berdasarkan Surat Pengesahan Daftar Isian Pelaksanaan Anggaran ("DIPA") revisi, pagu tertinggi subsidi listrik tahun anggaran 2015 ditetapkan sebesar Rp 73.149.237 juta, termasuk 7% margin di atas biaya pokok penyediaan tenaga listrik.

Berdasarkan Surat DIPA revisi tanggal 30 September 2014, pagu tertinggi subsidi listrik tahun anggaran 2014 ditetapkan sebesar Rp 103.816.319 juta, termasuk 7% margin di atas biaya pokok penyediaan tenaga listrik.

Besarnya subsidi listrik dalam satu tahun anggaran secara final ditetapkan berdasarkan hasil audit atas ketaatan penggunaan subsidi listrik yang dilakukan oleh auditor yang ditunjuk Menteri Keuangan c.q. Direktorat Jenderal Anggaran.

Pendapatan subsidi listrik dirinci sebagai berikut:

	<u>2015</u>	<u>2014</u>
Realisasi penerimaan subsidi tahun anggaran berjalan	51.332.384	80.022.389
Piutang subsidi listrik	<u>5.220.148</u>	<u>19.280.861</u>
Jumlah pendapatan subsidi listrik	<u>56.552.532</u>	<u>99.303.250</u>

36. SALE OF ELECTRICITY (continued)

- Regulation of the Mayor of Tarakan No. 17 Year 2014 dated August 17, 2014, regarding the enforcement of adjusted periodical tariff of electricity.

The Company has no single customer from which it generates revenue of more than 10% of total sale of electricity.

37. GOVERNMENT'S ELECTRICITY SUBSIDY

The Government of the Republic of Indonesia has provided electricity subsidy to customers through the Company. The procedure for the calculation and payment of electricity subsidy for the budget year 2015 and 2014 uses the regulation of the Minister of Finance of the Republic of Indonesia No. 170/PMK.02/2013 dated November 28, 2013. The electricity subsidy is computed as the negative difference between the average sales prices (Rp/kWh) of each tariff category less the cost of electricity supplies on the voltage for each tariff category multiplied by the electricity sales volume (kWh) of each tariff category. The cost of electricity supplies is computed based on the formula, including the rate of transmission and distribution losses which is determined by the Directorate General of Electricity and Energy Consumption under the Ministry of Energy and Mineral Resources.

Based on the Approval Letter of Budget Performance List ("DIPA") revised, the electricity subsidy plafond for budget year 2015 amounted to Rp 73,149,237 million, which includes 7% margin above the costs of supplied electricity.

Based on the DIPA revised on September 30, 2014, the electricity subsidy plafond for budget year 2014 amounted to Rp 103,816,319 million, which includes 7% margin above the costs of supplied electricity.

The amount of the electricity subsidy in a budget year is based on the result of the compliance audit of the usage of the electricity subsidy performed by an auditor assigned by the Directorate General of Budget under the Ministry of Finance.

The details of revenue from electricity subsidy are as follows:

Realization of subsidy from current year budget
Receivables on electricity subsidy
Total revenue from electricity subsidy

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38. PENDAPATAN USAHA LAIN-LAIN

	<u>2015</u>	<u>2014</u>
Jaringan dan jasa telekomunikasi	798.435	718.169
Sewa transformator	270.255	198.419
Perubahan daya tersambung dan administrasi	1.272	45.529
Jasa-jasa dan lainnya	<u>291.152</u>	<u>197.427</u>
Jumlah	<u>1.361.114</u>	<u>1.159.544</u>

38. OTHER REVENUES

*Telecommunication network and service
Transformer rental
Upgrading of electricity power and
administration fees
Services and others*

Total

39. BEBAN BAHAN BAKAR DAN PELUMAS

	<u>2015</u>	<u>2014</u>
Bahan Bakar Minyak		
Solar High Speed Diesel	30.425.933	65.205.934
Residu	4.778.955	7.795.372
Solar Industrial Diesel	14.362	41.663
Lainnya	<u>948.078</u>	<u>130.438</u>
Sub jumlah	<u>36.167.328</u>	<u>73.173.407</u>
Bahan Bakar - Non Minyak		
Batubara	45.078.428	44.805.655
Gas alam	51.668.400	47.664.395
Panas bumi	4.899.408	4.309.591
Air	<u>308.724</u>	<u>259.870</u>
Sub jumlah	<u>101.954.960</u>	<u>97.039.511</u>
Minyak pelumas	<u>286.027</u>	<u>275.008</u>
Jumlah	<u>138.408.315</u>	<u>170.487.926</u>

39. FUEL AND LUBRICANTS EXPENSE

*Fuel
Solar High Speed Diesel
Fuel marine oil
Solar Industrial Diesel
Others*

Sub total

*Nonfuel
Coal
Natural gas
Geothermal
Water*

Sub total

Lubricants

Total

Jumlah pembelian Perusahaan dari pemasok yang melebihi 10% dari total pendapatan Perusahaan adalah masing-masing sebesar Rp 45.924.873 juta dan Rp 60.747.294 juta di tahun 2015 dan 2014 dari PT Pertamina (Persero) (pihak berelasi).

Purchases from a single supplier exceeding 10% of the Company's total revenues were transacted with PT Pertamina (Persero) (a related party) which amounted to Rp 45,924,873 million and Rp 60,747,294 million in 2015 and 2014, respectively.

40. BEBAN PEMBELIAN TENAGA LISTRIK

Akun ini termasuk pembelian tenaga listrik dari IPP terkait PPA dan ESC, pembelian tenaga listrik selama masa komisioning dan pembelian tenaga listrik dari kelebihan produksi dari IPP tertentu. Rinciannya adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
PT Cikarang Listrindo	2.232.310	1.911.609
PT Indonesia Asahan Aluminium Kuala Tanjung	338.166	416.766
PT Makmur Sejahtera Wisesa	270.900	251.702
PT Kalimantan Powerindo	101.281	103.922
Lain-lain (dibawah 5% dari jumlah)	<u>1.478.202</u>	<u>808.680</u>
Jumlah	<u>4.420.859</u>	<u>3.492.679</u>

40. PURCHASED ELECTRICITY

This account includes purchase of electricity from certain IPPs in relation to PPAs and ESCs, purchase of electricity during the commissioning stage and purchase of excess electricity generated by certain IPPs. The details are as follows:

*PT Cikarang Listrindo
PT Indonesia Asahan Aluminium
Kuala Tanjung
PT Makmur Sejahtera Wisesa
PT Kalimantan Powerindo
Others (each below 5% of total)*

Total

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41. BEBAN SEWA

Akun ini merupakan biaya penyewaan pembangkit yang ditentukan sebagai sewa operasi.

41. LEASE EXPENSES

This account pertains to the rental of power plant which is classified as operating leases.

42. BEBAN PEMELIHARAAN

Akun ini merupakan beban yang timbul dari pemakaian material dan jasa borongan untuk keperluan pemeliharaan. Rinciannya adalah sebagai berikut:

42. MAINTENANCE EXPENSES

This account represents spare parts used and contractor fees for maintenance purposes. The details are as follows:

	<u>2015</u>	<u>2014*)</u>	
Jasa borongan	16.123.358	15.133.566	<i>Contractor fees</i>
Pemakaian material	<u>5.737.952</u>	<u>5.073.095</u>	<i>Spare parts used</i>
Jumlah	<u>21.861.310</u>	<u>20.206.661</u>	Total

43. BEBAN KEPEGAWAIAN

*) Disajikan kembali - Catatan 56

43. PERSONNEL EXPENSES

	<u>2015</u>	<u>2014*)</u>	
Imbalan kerja	5.335.698	4.833.138	<i>Employee benefits</i>
Gaji	4.075.165	3.522.228	<i>Salaries</i>
Tunjangan	2.121.034	1.396.134	<i>Allowances</i>
Jasa produksi dan insentif prestasi kerja	5.763.554	4.384.027	<i>Bonus and performance incentives</i>
Lain-lain	<u>3.025.686</u>	<u>2.510.270</u>	<i>Others</i>
Jumlah	<u>20.321.137</u>	<u>16.645.797</u>	Total

As restated - Note 56 *)

44. BEBAN USAHA LAIN-LAIN

Honorarium
Perjalanan dinas
Baca meter
Pengelolaan pelanggan
Penagihan rekening dan penertiban pemakaian tenaga listrik
Asuransi
Teknologi informasi
Listrik, gas dan air
Lain-lain (dibawah 5% dari jumlah)

44. OTHER OPERATING EXPENSES

	<u>2015</u>	<u>2014</u>	
Honorarium	683.611	478.855	<i>Honorarium</i>
Perjalanan dinas	598.783	539.268	<i>Travel</i>
Baca meter	914.309	745.313	<i>Meter reading</i>
Pengelolaan pelanggan	672.357	847.251	<i>Customer maintenance</i>
Penagihan rekening dan penertiban pemakaian tenaga listrik	681.254	492.611	<i>Billing collection and orderliness of electricity used</i>
Asuransi	607.718	350.512	<i>Insurance</i>
Teknologi informasi	527.592	458.605	<i>Technological information</i>
Listrik, gas dan air	285.952	278.690	<i>Electricity, gas and hydro</i>
Lain-lain (dibawah 5% dari jumlah)	<u>2.118.501</u>	<u>1.297.512</u>	<i>Others (each below 5% of total)</i>
Jumlah	<u>7.090.077</u>	<u>5.488.617</u>	Total

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45. BEBAN KEUANGAN

45. FINANCIAL COST

	<u>2015</u>	<u>2014</u>	
Pihak berelasi			<i>Related parties</i>
Utang sewa pembiayaan	3.065.008	2.383.624	<i>Lease Liabilities</i>
Utang bank	2.803.534	2.925.616	<i>Bank loans</i>
Penerusan pinjaman	564.820	788.463	<i>Two-step loans</i>
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank	569.073	597.610	<i>Government and non bank Government Financial Institution Loans</i>
Utang usaha atas pembelian BBM	<u>17.133</u>	<u>18.514</u>	<i>Trade accounts payable on purchase of fuel</i>
Jumlah pihak berelasi	<u>7.019.568</u>	<u>6.713.827</u>	<i>Total related parties</i>
Pihak ketiga			<i>Third parties</i>
Utang sewa pembiayaan	23.127.774	20.328.774	<i>Lease liabilities</i>
Utang obligasi	7.321.872	6.671.859	<i>Bonds payable</i>
Utang bank	1.898.864	1.653.560	<i>Bank loans</i>
Utang listrik swasta	510.678	460.847	<i>Electricity purchase payable</i>
Lain-lain	<u>98.472</u>	<u>142.344</u>	<i>Others</i>
Jumlah pihak ketiga	<u>32.957.660</u>	<u>29.257.384</u>	<i>Total third parties</i>
Jumlah	<u>39.977.228</u>	<u>35.971.211</u>	Total

46. PENGHASILAN LAIN-LAIN - BERSIH

46. OTHERS INCOME - NET

	<u>2015</u>	<u>2014</u>	
Penghasilan denda administrasi	1.533.497	1.702.851	<i>Administrative penalty income</i>
Penghasilan jasa dan klaim	102.212	73.418	<i>Claim and service income</i>
Keuntungan penjualan aset tidak digunakan dalam operasi	9.285	32.975	<i>Gain on sale of assets not used in operations</i>
Beban penelitian	(39.676)	(8.512)	<i>Research expenses</i>
Program pemberdayaan lingkungan	(159.883)	(72.707)	<i>Community development programs</i>
Kerugian percepatan beban penyusutan (Catatan 6)	(497.835)	(408.446)	<i>Loss on accelerated depreciation expenses (Note 6)</i>
Bagian laba bersih entitas asosiasi dan ventura bersama	688.991	487.819	<i>Share in net income of associates and joint ventures</i>
Lain-lain (dibawah 5% dari jumlah)	<u>800.475</u>	<u>2.349.620</u>	<i>Others (each below 5% of total)</i>
Jumlah	<u>2.437.066</u>	<u>4.157.018</u>	Total

47. PAJAK PENGHASILAN

47. INCOME TAX

(Beban) manfaat pajak Perusahaan dan entitas anak terdiri dari:

Tax (expense) benefits of the Company and its subsidiaries consist of the following:

	<u>2015</u>	<u>2014*)</u>	
Pajak kini	(1.356.581)	(1.276.139)	<i>Current tax</i>
Pajak tangguhan	<u>23.296.523</u>	<u>(2.658.560)</u>	<i>Deferred tax</i>
Jumlah (beban) manfaat pajak	<u>21.939.942</u>	<u>(3.934.699)</u>	Total tax (expense) benefits

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

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47. PAJAK PENGHASILAN (lanjutan)

47. INCOME TAX (continued)

Pajak Kini

Current Tax

Rekonsiliasi antara laba (rugi) sebelum pajak menurut laporan laba rugi dan pendapatan komprehensif lainnya konsolidasian dan laba kena pajak (rugi fiskal) Perusahaan adalah sebagai berikut:

A reconciliation between income (loss) before tax per consolidated statement of profit or loss and other comprehensive income and taxable income (fiscal losses) of the Company is as follows:

	2015	2014*)	
Laba (rugi) sebelum pajak menurut laporan laba rugi dan pendapatan komprehensif lainnya konsolidasian	(15.913.435)	15.004.069	<i>Income (loss) before tax per consolidated statement of profit or loss and other comprehensive income</i>
Laba sebelum pajak entitas anak	(5.276.282)	(4.502.002)	<i>Income before tax attributable to subsidiaries</i>
Laba (rugi) sebelum pajak Perusahaan	(21.189.717)	10.502.067	<i>Income (loss) before tax - the Company</i>
Perbedaan temporer:			<i>Temporary differences:</i>
Sewa pembiayaan	13.587.788	(101.372)	<i>Lease</i>
Biaya penyambungan pelanggan	341.981	159.412	<i>Customer connection fees</i>
Penyusutan aset tetap	(9.160.736)	(7.822.000)	<i>Depreciation of fixed assets</i>
Liabilitas imbalan kerja	2.177.263	2.249.200	<i>Employee benefits obligations</i>
Amortisasi biaya emisi obligasi	9.692	(1.176)	<i>Amortization of bonds issuance costs</i>
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal:			<i>Non-deductible expenses (non-taxable income):</i>
Penyisihan piutang tak tertagih	264.197	-	<i>Allowance for doubtful account</i>
Kesejahteraan karyawan	988.223	797.173	<i>Employee welfare</i>
Penyusutan rumah dinas	5.267	8.499	<i>Depreciation of guest house</i>
Penghasilan bunga telah dikenakan pajak final	(379.408)	(437.126)	<i>Interest income subjected to final tax</i>
Beban lain tidak dapat dikurangkan	4.285.656	445.240	<i>Other non-deductible expenses</i>
Laba (rugi) kena pajak Perusahaan tahun berjalan			<i>The Company's taxable income (loss) for the year</i>
Rugi fiskal 2015	(9.069.794)	-	<i>Fiscal losses 2015</i>
Laba fiskal 2014	5.799.917	5.799.917	<i>Fiscal gain 2014</i>
Rugi fiskal 2013	(18.459.547)	(18.459.547)	<i>Fiscal losses 2013</i>
Akumulasi rugi fiskal Perusahaan	(21.729.424)	(12.659.630)	<i>Accumulated fiscal losses of the Company</i>

Pajak penghasilan kini dihitung berdasarkan taksiran penghasilan kena pajak. Nilai tersebut mungkin disesuaikan pada saat Surat Pemberitahuan Tahunan Pajak disampaikan ke Kantor Pelayanan Pajak.

Current income tax computations are based on estimated taxable income. The amount may be adjusted when the Annual Tax Returns are filed with the tax office.

Rugi fiskal dapat dikompensasikan dengan laba fiskal pada masa lima tahun mendatang sejak kerugian fiskal terjadi. Manajemen memperkirakan bahwa akumulasi kerugian fiskal tidak dapat dikompensasikan dengan laba fiskal di masa mendatang.

The fiscal loss can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes that it is not probable future taxable profits will be available to utilize accumulated fiscal losses.

*) Disajikan kembali - Catatan 56

As restated - Note 56 *)

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47. PAJAK PENGHASILAN (lanjutan)

47. INCOME TAX (continued)

Pajak Kini (lanjutan)

Current Tax (continued)

Perhitungan beban dan utang pajak kini (pajak penghasilan lebih bayar) adalah sebagai berikut:

Current tax expense and payable (income tax overpayment) are as follows:

	<u>2015</u>	<u>2014</u>	
Beban pajak kini			Current tax expense
Perusahaan	-	-	The Company
Entitas anak	<u>1.356.581</u>	<u>1.276.139</u>	Subsidiaries
Jumlah	<u>1.356.581</u>	<u>1.276.139</u>	Total
Pembayaran pajak dimuka			Prepayment of taxes
Perusahaan			The Company
Pajak penghasilan			Income tax
Pasal 22	228.651	137.047	Article 22
Pasal 23	25.111	10.946	Article 23
Pasal 25	<u>2.070.035</u>	<u>-</u>	Article 25
Jumlah	2.323.797	147.993	Total
Entitas anak	<u>1.346.860</u>	<u>1.156.221</u>	Subsidiaries
Jumlah	<u>3.670.657</u>	<u>1.304.214</u>	Total
Utang pajak kini setelah dikurangi pajak dibayar dimuka	<u>(2.314.076)</u>	<u>(28.075)</u>	Current tax payable net of tax prepayments
Terdiri dari			Consist of
Utang pajak kini			Current tax payable
Perusahaan	-	-	The Company
Entitas anak	<u>136.711</u>	<u>204.622</u>	Subsidiaries
Jumlah hutang pajak kini	<u>136.711</u>	<u>204.622</u>	Total current tax payable
Pajak penghasilan lebih bayar			Income tax overpayment
Perusahaan	(2.323.797)	(147.993)	The Company
Entitas anak	<u>(126.990)</u>	<u>(84.704)</u>	Subsidiaries
Jumlah pajak penghasilan lebih bayar	<u>(2.450.787)</u>	<u>(232.697)</u>	Total income tax overpayment
Bersih	<u>(2.314.076)</u>	<u>(28.075)</u>	Net

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47. PAJAK PENGHASILAN (lanjutan)

Pajak Tangguhan (lanjutan)

Analisis aset dan liabilitas pajak tangguhan adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Aset pajak tangguhan		
Aset pajak tangguhan yang akan dipulihkan setelah 12 bulan	27.027.183	3.401.272
Aset pajak tangguhan yang akan dipulihkan dalam 12 bulan	2.061.088	3.287.709
Liabilitas pajak tangguhan		
Liabilitas pajak tangguhan yang akan dipulihkan setelah 12 bulan	-	(1.577.400)
Liabilitas pajak tangguhan yang akan dipulihkan dalam 12 bulan	(5.475)	(2.175.395)

Rekonsiliasi antara jumlah manfaat pajak dan hasil perkalian rugi akuntansi sebelum pajak dengan tarif pajak efektif adalah sebagai berikut:

	<u>2015</u>	<u>2014*)</u>
Laba/(rugi) konsolidasian sebelum pajak penghasilan	(15.913.435)	15.004.069
Pajak dihitung dengan tarif pajak yang berlaku	(3.978.359)	3.751.017
Pengaruh pajak atas:		
Aset/(liabilitas) pajak tangguhan yang dibalik	(18.925.024)	23.640
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal		
Kesejahteraan karyawan	256.911	255.052
Bagian atas laba bersih entitas asosiasi	(183.230)	(168.099)
Penghasilan bunga telah dikenakan pajak final	(139.713)	(138.744)
Beban lain tidak dapat dikurangkan	1.029.473	211.833
Beban/(manfaat) pajak penghasilan konsolidasian	<u>(21.939.942)</u>	<u>3.934.699</u>

*) Disajikan kembali - Catatan 56

Surat Ketetapan Pajak

Perusahaan

Pada bulan April 2016, Perusahaan menerima Surat Ketetapan Pajak Kurang Bayar ("SKPKB") atas Pajak Penghasilan ("PPH") Badan tahun 2014 sebesar Rp 140.937 juta dan menetapkan laba fiskal sebesar Rp 902.140 juta. Perusahaan telah melakukan pembayaran sebesar Rp 140.937 juta, dicatat sebagai pajak dibayar di muka. Perusahaan mengajukan keberatan atas SKPKB tersebut pada bulan Juni 2016 dan sedang menunggu keputusan keberatan.

47. INCOME TAX (continued)

Deferred Tax (continued)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<u>2015</u>	<u>2014</u>
Aset pajak tangguhan		
Aset pajak tangguhan yang akan dipulihkan setelah 12 bulan	27.027.183	3.401.272
Aset pajak tangguhan yang akan dipulihkan dalam 12 bulan	2.061.088	3.287.709
Liabilitas pajak tangguhan		
Liabilitas pajak tangguhan yang akan dipulihkan setelah 12 bulan	-	(1.577.400)
Liabilitas pajak tangguhan yang akan dipulihkan dalam 12 bulan	(5.475)	(2.175.395)

A reconciliation between the total tax benefit and the amounts computed by applying the effective tax rates to the loss before tax is as follows:

	<u>2015</u>	<u>2014*)</u>
Laba/(rugi) konsolidasian sebelum pajak penghasilan	(15.913.435)	15.004.069
Pajak dihitung dengan tarif pajak yang berlaku	(3.978.359)	3.751.017
Pengaruh pajak atas:		
Aset/(liabilitas) pajak tangguhan yang dibalik	(18.925.024)	23.640
Biaya (pendapatan) yang tidak dapat diperhitungkan menurut fiskal		
Kesejahteraan karyawan	256.911	255.052
Bagian atas laba bersih entitas asosiasi	(183.230)	(168.099)
Penghasilan bunga telah dikenakan pajak final	(139.713)	(138.744)
Beban lain tidak dapat dikurangkan	1.029.473	211.833
Beban/(manfaat) pajak penghasilan konsolidasian	<u>(21.939.942)</u>	<u>3.934.699</u>

As restated - Note 56 *)

Tax Assessment Letters

The Company

In April 2016, the Company received tax assessment letters for underpayment ("SKPKB") for corporate income tax ("PPH") for the fiscal year 2014 amounting to Rp 140,937 million and determined the taxable income of Rp 902,140 million. The Company has paid Rp 140,937 million, recorded as prepaid tax. The Company submitted an objection letter for SKPKB in June 2016 and is awaiting the objection decision letter.

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Surat Ketetapan Pajak (lanjutan)

Perusahaan (lanjutan)

Pada bulan April 2015, Perusahaan menerima Surat Ketetapan Pajak Lebih Bayar (SKPLB) atas Pajak Penghasilan (PPH) Badan tahun 2013 sebesar Rp 2.011.024 juta dan menetapkan rugi neto fiskal dari Rp 18.459.547 juta menjadi sebesar Rp 8.371.218 juta. Terhadap lebih bayar tersebut Perusahaan telah menerima restitusi sebesar Rp 2.010.792 juta setelah diperhitungkan dengan kompensasi utang pajak unit Perusahaan. Perusahaan telah mengajukan keberatan atas SKPLB tersebut pada bulan Juli 2015. Pada bulan Juli dan Nopember 2015, Perusahaan juga menerima beberapa Surat Ketetapan Pajak Kurang Bayar (SKPKB) dan Surat Tagihan Pajak (STP) PPh pasal 4(2) dan PPh pasal 26 tahun 2012 dan Pajak Pertambahan Nilai tahun 2012 dan 2013 sebesar Rp 8.612.648 juta. Perusahaan telah mengajukan keberatan atas SKPKB dan penghapusan sanksi serta pembatalan atas STP tersebut pada bulan Oktober 2015, Desember 2015 dan Januari 2016. Perusahaan telah melakukan pembayaran sebesar Rp 192.065 juta, dicatat sebagai pajak dibayar dimuka dan pembayaran sebesar Rp 15.019 juta dicatat Perusahaan sebagai beban lain-lain. Pada bulan April 2016, Direktorat Jenderal Pajak ("DJP") menolak permohonan penghapusan atas STP PPN tahun 2013 sebesar Rp 22.864 juta dan Perusahaan telah mengajukan permohonan penghapusan sanksi kedua untuk STP terkait pada bulan Juni 2016. Pada bulan Juni 2016, DJP menolak permohonan penghapusan atas STP PPN tahun 2013 sebesar Rp 5.305.664 juta dan Perusahaan telah mengajukan permohonan penghapusan sanksi kedua untuk STP terkait pada bulan Agustus 2016.

Pada bulan April 2014, Perusahaan menerima SKPKB atas PPh Badan tahun 2012 sebesar Rp 1.330.243 juta dan menetapkan laba fiskal sebesar Rp 4.540.925 juta. Perusahaan mengajukan keberatan atas SKPKB tersebut pada bulan Juni 2014. Perusahaan telah melakukan pembayaran sebesar Rp 182.496 juta, dicatat sebagai pajak dibayar di muka. Keberatan tersebut ditolak DJP pada bulan Mei 2015. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2015. Pada bulan Pebruari 2017, Perusahaan telah menerima salinan resmi putusan Pengadilan Pajak yang mengabulkan sebagian permohonan banding Perusahaan sehingga nilai kurang bayar dalam SKPKB yang semula sebesar Rp1.330.243 juta ditetapkan menjadi Rp100.510 juta.

47. INCOME TAX (continued)

Tax Assessment Letters (continued)

The Company (continued)

In April 2015, the Company received a tax assessment letter for the overpayment (SKPLB) of corporate income tax for the fiscal year 2013 amounting to Rp 2,011,024 million and determined fiscal net loss from Rp 18,459,547 million to Rp 8,371,218 million. For the overpayments, the Company have received the restitution amounting to Rp 2,010,792 million after considering the business unit tax payable. The Company submitted an objection letter related to the assessment in July 2015. In July and November 2015, the Company also received tax assessment letters for underpayment (SKPKB) and tax collection letters (STP) for income tax article 4(2) and article 26 for the fiscal year 2012 and Value Added Tax (VAT) for the fiscal years 2012 and 2013 amounting to Rp 8,612,648 million. The Company has submitted an objection letter for SKPKB and administrative sanction abolition request on STP in October 2015, December 2015 and January 2016. The Company has paid the amount of Rp 192,065 million, and recorded it as prepaid taxes and payment amounting to Rp 15,019 million has been recorded by the Company as other expense. In April 2016, the Directorate General of Taxes ("DGT") rejected an administrative sanction abolition request on STP VAT fiscal year 2013 amounting to Rp 22,864 million and the Company submitted second abolition request in June 2016. In June 2016, the DGT rejected the administrative sanction abolition request on STP VAT fiscal year 2013 amounting to Rp 5,305,664 billion and the Company submitted a second abolition request in August 2016.

In April 2014, the Company received a SKPKB of corporate income tax for the fiscal year 2012 amounting to Rp 1,330,243 million and determined taxable income of Rp 4,540,925 million. The Company submitted an objection letter on the assessment in June 2014 and the Company has paid Rp 182,496 million, recorded as prepaid tax. The objection was rejected by the DGT in May 2015. The Company filed an appeal against the rejection in August 2015. In February 2017, the Company received a copy of the Tax Court's verdict regarding the Company's appeal which partly accepted the Company's appeal, therefore underpayment amounting to Rp1,330,243 million was stipulated to Rp100,510 million.

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47. PAJAK PENGHASILAN (lanjutan)

Surat Ketetapan Pajak (lanjutan)

Perusahaan (lanjutan)

Pada bulan September 2013, Perusahaan menerima SKPLB atas PPh Badan tahun 2011 sebesar Rp 84.857 juta dan penetapan laba fiskal tahun 2011 dari Rp 8.099.968 juta menjadi sebesar Rp 11.506.614 juta. Perusahaan mengajukan keberatan kepada DJP pada bulan Desember 2013 dan ditolak DJP pada bulan Nopember 2014. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Pebruari 2015 dan sidang banding Pengadilan Pajak sudah selesai di bulan Pebruari 2016, namun Perusahaan masih menunggu putusan Pengadilan Pajak.

Perusahaan juga menerima SKPKB PPh pasal 4(2), 21, 23, 26 dan PPN tahun 2011 dengan jumlah keseluruhan sebesar Rp 144.328 juta. Perusahaan mengajukan Surat Keberatan atas SKPKB PPh pasal 23 dan 26 sebesar Rp 94.478 juta (nilai sengketa Rp 84.078 juta) pada bulan Desember 2013. Pada bulan Nopember 2014 DJP menolak keberatan tersebut dan Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Pebruari 2015. Sidang banding Pengadilan Pajak sudah selesai di bulan Pebruari 2016, namun Perusahaan masih menunggu putusan Pengadilan Pajak.

Pada bulan Desember 2012, Perusahaan menerima SKPLB atas PPh Badan tahun 2010 sebesar Rp 98.148 juta dan penetapan laba fiskal dari Rp 6.627.169 juta menjadi sebesar Rp 9.627.659 juta. Perusahaan mengajukan keberatan kepada DJP pada bulan Januari 2013 dan ditolak DJP pada bulan Januari 2014. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan April 2014 dan sidang banding Pengadilan Pajak sudah selesai di bulan Pebruari 2015, namun Perusahaan masih menunggu putusan Pengadilan Pajak.

Perusahaan juga menerima SKPKB PPh pasal 4(2), pasal 21, pasal 23, pasal 26 dan PPN tahun 2010 dengan jumlah keseluruhan sebesar Rp 141.012 juta. SKPKB sebesar Rp 59.913 juta telah diterima dan dicatat oleh Perusahaan sebagai beban lain-lain pada bulan Desember 2012. Perusahaan mengajukan Surat Keberatan atas SKPKB PPh pasal 23 dan 26 sebesar Rp 84.306 juta (nilai sengketa Rp 81.099 juta) pada bulan Januari 2013 dan telah melunasi kurang bayar tersebut pada bulan Desember 2012. Pada bulan Januari 2014, DJP menolak keberatan tersebut dan Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan April 2014. Sidang banding Pengadilan Pajak sudah selesai di bulan Maret dan April 2015 dan pada bulan Mei 2016, Pengadilan Pajak menyetujui banding yang diajukan Perusahaan untuk PPh pasal 23 dan menolak banding untuk PPh 26 yang diajukan Perusahaan. Perusahaan mengajukan Peninjauan Kembali kepada Mahkamah Agung pada bulan Agustus 2016.

47. INCOME TAX (continued)

Tax Assessment Letters (continued)

The Company (continued)

In September 2013, the Company received a SKPLB of corporate income tax for the fiscal year 2011 amounting to Rp 84,857 million and determined the taxable income for the year 2011 from Rp 8,099,968 million to Rp 11,506,614 million. The Company submitted an objection to the DGT in December 2013 which was rejected by the DGT in November 2014. The Company filed an appeal against the rejection in February 2015 and a hearing session in the Tax Court was completed in February 2016, but the Company is still awaiting the Tax Court decision letter.

The Company also received a SKPKB of income tax article 4(2), 21, 23, 26 and PPN for the fiscal year 2011 with the a total amount of Rp 144,328 million. The Company submitted an objection letter in December 2013 for income tax article 23 and 26 amounting to Rp 94,478 million (with a dispute amount of Rp 84,078 million). In November 2014, the DGT rejected the objection and the Company filed an appeal against the rejection in February 2015. A hearing session in the Tax Court was completed in February 2016, but the Company is still awaiting the Tax Court decision letter.

In December 2012, the Company received a SKPLB of corporate income tax for the fiscal year 2010 amounting to Rp 98,148 million and determined the taxable income from Rp 6,627,169 million to Rp 9,627,659 million. The Company submitted an objection to the DGT in January 2013 and it was rejected by the DGT in January 2014. The Company filed an appeal against the rejection in April 2014 and a hearing session in the Tax Court was completed in February 2015, but the Company is still awaiting the Tax Court decision letter.

The Company also received a SKPKB of income tax article 4(2), article 21, article 23, article 26 and VAT for the fiscal year 2010 amounting to Rp 141,012 million. SKPKB amounting to Rp 59,913 million has been accepted and recorded by the Company as other expense in December 2012. The Company submitted an objection letter on the SKPKB of income tax article 23 and 26 amounting to Rp 84,306 million (with a dispute amount of Rp 81,099 million) in January 2013 and paid the under payment in December 2012. In January 2014, the DGT rejected the objection and the Company filed an appeal against the rejection in April 2014. A hearing session in the Tax Court was completed in March and April 2015 and in May 2016, the Tax Court accepted the Company's appeal for income tax article 23 and rejected the Company's appeal for income tax art 26. The Company submitted Juridical Review to Supreme Court in August 2016.

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Perusahaan (lanjutan)

Pada bulan Oktober 2011, Perusahaan menerima SKPLB atas PPh Badan tahun 2009 sebesar Rp 95.625 juta dan penetapan laba fiskal dari Rp 5.936.754 juta menjadi sebesar Rp 8.132.406 juta. Perusahaan mengajukan keberatan kepada DJP pada bulan Januari 2012 dan ditolak DJP pada bulan Oktober 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2012. Pada bulan Maret 2016, Pengadilan Pajak menyetujui banding yang diajukan Perusahaan.

Pada bulan Oktober 2011, Perusahaan menerima SKPKB PPh 23 tahun 2009 sebesar Rp 252.348 juta. Atas jumlah tersebut Perusahaan telah menyetujui koreksi sejumlah Rp 5.058 juta. Perusahaan mengajukan surat keberatan pada bulan Januari 2012 dan ditolak DJP pada bulan September 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2012. Pada bulan Oktober 2014, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp 247.290 juta pada bulan Juli 2015. DJP mengajukan Peninjauan Kembali ("PK") untuk PPh 23 tahun 2009 di mana memori PK diterima Maret 2016. Perusahaan dalam proses menjawab kontra memori Peninjauan Kembali. Pada bulan Oktober 2011, Perusahaan juga menerima SKPKB PPh 26 tahun 2009 sebesar Rp 643.601 juta. Atas jumlah tersebut Perusahaan telah menyetujui koreksi sejumlah Rp 5.452 juta. Perusahaan mengajukan surat keberatan pada bulan Desember 2011 dan ditolak DJP pada bulan Mei 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2012. Pada bulan Maret 2015, banding ditolak Pengadilan Pajak dan Perusahaan mengajukan PK kepada Mahkamah Agung pada bulan Juni 2015.

Pada bulan Juni 2011, Perusahaan menerima SKPKB PPh 23 tahun 2007 dan 2006 sejumlah Rp 181.908 juta. Perusahaan mengajukan surat keberatan pada bulan September 2011 dan ditolak DJP pada bulan Juni 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan September 2012. Pada bulan Oktober 2013, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp 181.908 juta pada bulan Desember 2013. Pada bulan Januari 2014, DJP mengajukan PK untuk PPh 23 tahun 2006 dan Perusahaan telah menjawab kontra memori PK pada bulan Nopember 2014. Pada bulan Juni 2011 Perusahaan juga menerima SKPKB PPh 26 tahun 2007 sejumlah Rp 316.944 juta. Perusahaan mengajukan surat keberatan pada bulan September 2011 dan ditolak DJP pada bulan Mei 2012. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Agustus 2012. Pada bulan Maret 2015 banding ditolak Pengadilan Pajak. Perusahaan mengajukan PK kepada Mahkamah Agung pada bulan Juni 2015.

47. INCOME TAX (continued)

Tax Assessment Letters (continued)

The Company (continued)

In October 2011, the Company received a SKPLB of corporate income tax for the fiscal year 2009 amounting to Rp 95,625 million and determined the taxable income from Rp 5,936,754 million to Rp 8,132,406 million. The Company submitted an objection to the DGT in January 2012 and it was rejected by the DGT in October 2012. The Company filed an appeal against the rejection in December 2012. In March 2016, Tax Court accepted the Company's appeal.

In October 2011, the Company received a SKPKB income tax article 23 for the fiscal year 2009 totalling Rp 252,348 million. A correction amounting to Rp 5,058 million has been accepted by the Company. In January 2012 the Company submitted an objection letter and it was rejected by the DGT in September 2012. The Company filed an appeal against the rejection in December 2012. In October 2014, the Tax Court accepted the Company's appeal and refunded the tax overpayments of Rp 247,290 million in July 2015. The DGT filed Juridical Review ("PK") for income tax article 23 for the fiscal year 2009 and the Company received contra memory PK in March 2016. The Company is currently in the process of replying to the contra memory PK. In October 2011, the Company also received a SKPKB income tax article 26 for the fiscal year 2009 amounting to Rp 643,601 million. Correction amounting to Rp 5,452 million has been accepted by the Company. The Company submitted an objection letter in December 2011 and this was rejected by the DGT in May 2012. The Company filed an appeal against the rejection in August 2012. In March 2015, the Tax Court rejected the appeal and then the Company submitted a PK to the Supreme Court in June 2015.

In June 2011, the Company received SKPKB income tax article 23 for the fiscal years 2007 and 2006 amounting to Rp 181,908 million. The Company submitted an objection letter in September 2011 and it was rejected by the DGT in June 2012. The Company filed an appeal against the rejection in September 2012. In October 2013, the Tax Court accepted the Company's appeal and refunded the tax overpayment of Rp 181,908 million in December 2013. In January 2014, the DGT filed a PK for income tax article 23 for the fiscal year 2006 and the Company has replied to the contra memory PK in November 2014. In June 2011, the Company also received a SKPKB income tax article 26 for the fiscal year 2007 amounting to Rp 316,944 million. The Company submitted an objection letter in September 2011 and it was rejected by the DGT in May 2012. The Company filed an appeal against the rejection in August 2012. In March 2015 the Tax Court rejected the appeal. The Company submitted a PK to the Supreme Court in June 2015.

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47. PAJAK PENGHASILAN (lanjutan)

Surat Ketetapan Pajak (lanjutan)

Perusahaan (lanjutan)

Pada bulan Nopember 2010, Perusahaan menerima SKPKB PPh 23 tahun 2008 sebesar Rp 301.385 juta. Perusahaan mengajukan surat keberatan pada bulan Desember 2010 dan ditolak DJP pada bulan Oktober 2011. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2011. Pada bulan Oktober 2013, Pengadilan Pajak menyetujui banding dan mengembalikan kelebihan bayar pajak sebesar Rp 93.061 juta pada bulan Desember 2013. Pada bulan Nopember 2010, Perusahaan juga menerima SKPKB atas PPh 26 tahun 2008 sebesar Rp 614.610 juta. Perusahaan mengajukan surat keberatan pada bulan Desember 2010 dan ditolak DJP pada bulan Oktober 2011. Perusahaan mengajukan banding atas keputusan keberatan ini pada bulan Desember 2011. Pada bulan Maret 2015 banding ditolak Pengadilan Pajak dan Perusahaan mengajukan PK kepada Mahkamah Agung pada bulan Juni 2015.

Sehubungan dengan Perusahaan mengajukan surat keberatan dan banding, pembayaran yang telah dilakukan atas SKPKB tersebut sebesar Rp 2.109.238 juta dan Rp 2.164.451 juta pada tanggal 31 Desember 2015 dan 2014 dicatat sebagai pajak dibayar dimuka (Catatan 18).

Entitas anak

Pada bulan Desember 2015, IP menerima STP PPN tahun pajak 2014 sebesar Rp 698.430 juta. IP telah mengajukan permohonan pembatalan STP pada bulan Januari 2016. IP juga menerima SKPLB PPN tahun pajak 2014 sebesar Rp 72.832 juta dan telah diterima oleh IP.

Pada bulan Januari 2016, PJB menerima STP PPN tahun pajak 2014 sebesar Rp 488 milyar. PJB telah mengajukan permohonan pembatalan STP pada bulan Januari 2016. Pada bulan April 2016 PJB menerima surat No S-1802/WPJ.19/BD.05/2016 tentang permintaan dokumen, data atau informasi dalam rangka penyelesaian permohonan pembatalan STP tidak benar dari Kanwil DJP Wajib Pajak Besar. PJB juga menerima SKPLB PPN tahun pajak 2014 sebesar Rp 36.022 juta.

47. INCOME TAX (continued)

Tax Assessment Letters (continued)

The Company (continued)

In November 2010, the Company received a SKPKB income tax article 23 for the fiscal year 2008 amounting to Rp 301,385 million. The Company submitted an objection letter in December 2010 and it was rejected by the DGT in October 2011. The Company filed an appeal against the rejection in December 2011. In October 2013, the Tax Court accepted the Company's appeal and refunded the tax overpayments of Rp 93,061 million in December 2013. In November 2010, the Company also received SKPKB income tax article 26 fiscal year 2008 amounting to Rp 614,610 million. The Company submitted an objection letter in December 2010 and it was rejected by the DGT in October 2011. The Company filed an appeal against the rejection in December 2011. In March 2015 the Tax Court rejected the appeal and the Company submitted a PK to the Supreme Court in June 2015.

Due to the objections and appeals filed by the Company against the SKPKBs, payments made by the Company for the SKPKBs amounting to Rp 2,109,238 million and Rp 2,164,451 million as of December 31, 2015 and 2014, respectively, were recorded as prepaid taxes (Note 18).

Subsidiaries

In December 2015, IP received an STP VAT for the fiscal year 2014 amounting to Rp 698,430 million. IP has issued a cancellation request for the STP in January 2016. IP also received a SKPLB VAT for the fiscal year 2014 amounting to Rp 72,832 million and this has been agreed by IP.

In January 2016, PJB received a STP VAT for the fiscal year 2014 amounting to Rp 488 billion. PJB has issued a cancellation request for the STP in January 2016. In April 2016, PJB received letter No S-1802/WPJ.19/BD.05/2016 regarding document, data or information request in order of completion cancelation request for STP from Kanwil DJP Wajib Pajak Besar. PJB also receive SKPLB VAT for the fiscal year 2014 amounting to Rp 36,022 million.

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48. LABA PER SAHAM DASAR DAN DILUSIAN

Laba bersih

Laba bersih untuk tujuan perhitungan laba per saham dasar tahun 2015 dan 2014 masing-masing sebesar Rp 6.010.568 juta dan Rp 11.054.166 juta.

Jumlah saham

Rata-rata tertimbang saham untuk tujuan perhitungan laba per saham dasar adalah 46.197.380 saham tahun 2015 dan 2014.

Perusahaan tidak mempunyai efek berpotensi dilusi saham, sehingga laba per saham dasar sama dengan laba per saham dilusian.

49. LIABILITAS IMBALAN KERJA

Liabilitas Imbalan Pascakerja Karyawan

Program Pensiun Imbalan Pasti

Perusahaan dan entitas anak menyelenggarakan program pensiun imbalan pasti untuk semua karyawan tetap yang memenuhi syarat. Program pensiun ini memberikan imbalan pascakerja berdasarkan penghasilan dasar pensiun dan masa kerja karyawan.

Dana pensiun ini dikelola oleh Dana Pensiun PLN (Persero) (DP-PLN), pihak berelasi, yang akta pendiriannya telah disahkan oleh Menteri Keuangan Republik Indonesia dengan Surat Keputusannya No. KEP-284/KM.17/1997 tanggal 15 Mei 1997.

DP-PLN telah mendapat persetujuan dari Menteri Keuangan Republik Indonesia dalam surat keputusan No. KEP-078/KM.12/2006 tanggal 29 Agustus 2006 atas peningkatan imbalan pasti pensiun yang disediakan Perusahaan dan entitas anak dalam program dana pensiun.

Pendanaan DP-PLN terutama berasal dari iuran karyawan dan pemberi kerja masing-masing sebesar 6,00% dan 13,41%.

Imbalan Pemeliharaan Kesehatan

Selain program pensiun yang dikelola oleh DP-PLN, Perusahaan dan entitas anak menyediakan imbalan program kesehatan tanpa pendanaan bagi pensiunan dan tanggungannya yang memenuhi persyaratan.

Imbalan Pascakerja Lainnya

Selain dari program dana pensiun dan imbalan pemeliharaan kesehatan, Perusahaan dan entitas anak menyediakan imbalan pesangon dan penghargaan purna jabatan tanpa pendanaan bagi pegawai yang memenuhi syarat.

48. BASIC AND DILUTED EARNINGS PER SHARE

Net income

Net income for the computation of basic earnings per share in 2015 and 2014 amounted to Rp 6,010,568 million and Rp 11,054,166 million, respectively.

Number of shares

The weighted average number of shares for the computation of basic earnings per share was 46,197,380 shares in 2015 and 2014.

The Company did not have potential dilutive ordinary shares, thus basic earnings per share are the same as the diluted earnings per share.

49. EMPLOYEE BENEFITS OBLIGATION

Post-employment Benefits Obligation

Defined Benefit Pension Plan

The Company and its subsidiaries established a defined benefit pension plan covering all of its eligible permanent employees. This plan provides pension benefits based on the years of service and salaries of the employees.

The pension plan is managed by Dana Pensiun PLN (Persero) (DP-PLN), a related party, whose deed of establishment was approved by the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP-284/KM.17/1997 dated May 15, 1997.

DP-PLN obtained an approval from the Minister of Finance of the Republic of Indonesia in its Decision Letter No. KEP-078/KM.12/2006 dated August 29, 2006 in relation to the increase in pension benefits provided by the Company and its subsidiaries' pension plan.

DP-PLN is mainly funded by contributions from both the employees and the employer which are respectively 6.00% and 13.41%.

Health Care Benefits

In addition to the pension plan managed by DP-PLN, the Company and its subsidiaries also provide unfunded health care benefit plans for their pensioners and their eligible dependents.

Other Post-employment Benefits

In addition to the pension plan and health care benefits, the Company and its subsidiaries also provide unfunded severance benefits and completion of employment award for eligible employees.

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49. LIABILITAS IMBALAN KERJA (lanjutan)

**49. EMPLOYEE BENEFITS OBLIGATION
(continued)**

**Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)**

**Post-employment Benefits Obligation
(continued)**

Imbalan Jangka Panjang Lainnya

Other Long-term Benefits

Perusahaan dan entitas anak juga memberikan imbalan kerja jangka panjang lainnya seperti uang cuti besar, tunjangan kecelakaan dinas dan penghargaan kesetiaan kerja.

The Company and its subsidiaries also provide other long-term employee benefits such as long leave allowance, disability benefit and loyalty benefit.

	2015	2014 disajikan kembali/ (restated)	
Kewajiban posisi keuangan untuk:			<i>Financial position obligations for:</i>
Imbalan Pascakerja			<i>Post-employment Benefits</i>
Program Pensiun	-	-	<i>Pension Plan</i>
Imbalan Pascakerja Lainnya	13.256.657	11.306.269	<i>Other Post-employment benefits</i>
Imbalan Pemeliharaan Kesehatan	25.969.297	31.297.368	<i>Health care benefits</i>
Imbalan Jangka Panjang Lainnya	1.001.182	1.175.404	<i>Other long term benefits</i>
Jumlah	40.227.136	43.779.041	<i>Total</i>
Dibebankan pada laporan laba rugi:			<i>Profit or loss charge for:</i>
Imbalan Pascakerja			<i>Post-employment Benefits</i>
Program Pensiun	79.544	33.706	<i>Pension Plan</i>
Pascakerja Lainnya	1.590.475	1.218.464	<i>Other Post-employment benefits</i>
Pemeliharaan Kesehatan	3.480.029	3.086.093	<i>Health care benefits</i>
Imbalan Jangka Panjang Lainnya	185.650	494.875	<i>Other long term benefits</i>
Jumlah	5.335.698	4.833.138	<i>Total</i>
Pengukuran kembali untuk:			<i>Remeasurement for:</i>
Imbalan Pascakerja			<i>Post-employment Benefits</i>
Program Pensiun	77.756	113.827	<i>Pension Plan</i>
Pascakerja Lainnya	1.936.004	2.690.054	<i>Other Post-employment benefits</i>
Pemeliharaan Kesehatan	(8.134.368)	2.068.021	<i>Health care benefits</i>
Jumlah	(6.120.608)	4.871.902	<i>Total</i>

Asumsi Yang Digunakan dalam Perhitungan
Liabilitas Imbalan Kerja

Assumption Used in the Calculations of Post-
employment Benefits Obligation

Tabel mortalita

CSO-58

Mortality table

Asumsi yang berhubungan dengan pengalaman mortalitas masa depan ditentukan berdasarkan saran aktuaris menurut statistik yang telah diterbitkan dan pengalaman setiap wilayah. Asumsi mortalitas yang digunakan adalah tabel mortalita CSO-58 yang diterapkan dalam penghitungan liabilitas kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by the Company and its subsidiaries. The mortality assumptions used are based on the CSO-58 mortality table which is applied in calculating the long term benefits liability recognized within the consolidated statement of financial position.

Penilaian aktuarial atas program pensiun, imbalan pascakerja lainnya, imbalan pemeliharaan kesehatan dan imbalan kerja jangka panjang lainnya untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014, dilakukan oleh perusahaan konsultan aktuarial terdaftar, PT Binaputera Jaga Hikmah.

The actuarial calculations of pension plan, other post-employment benefits, health care benefits and other long term benefits for the years ended December 31, 2015 and 2014 were prepared by a registered actuarial consulting firm, PT Binaputera Jaga Hikmah.

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49. LIABILITAS IMBALAN KERJA (lanjutan)

**49. EMPLOYEE BENEFITS OBLIGATION
(continued)**

**Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)**

**Post-employment Benefits Obligation
(continued)**

(i) Program Pensiun (lanjutan)

(i) Pension Plan (continued)

Mutasi nilai wajar aset program selama tahun berjalan adalah sebagai berikut:

The movement in the fair value of plan assets of the year is as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Pada awal tahun	7.211.829	6.420.993	At beginning of the year
Imbal hasil atas aset program	516.042	463.071	Return on plan assets
luran pemberi kerja	157.300	147.534	Employer's contributions
luran pekerja	70.380	78.919	Employee's contributions
Pembayaran benefit (Keuntungan)/kerugian aktuarial pada aset program	(505.831)	(525.132)	Benefit payments
	<u>(419.253)</u>	<u>626.444</u>	(Gain)/loss on plan assets
Pada akhir tahun	<u>7.030.467</u>	<u>7.211.829</u>	At the end of the year

Aset program terdiri dari:

Plan assets comprise the following:

	<u>2015</u>				<u>2014</u>				
	Memiliki kuotasi harga/ Quoted price	Tidak memiliki kuotasi harga/ Unquoted price	Jumlah/ Total	%	Memiliki kuotasi harga/ Quoted price	Tidak memiliki kuotasi harga/ Unquoted price	Jumlah/ Total	%	
Instrumen Ekuitas									Equity Instruments
Surat Berharga Negara	948.755	-	948.755	13,49	1.208.393	-	1.208.393	16,75	Government Securities
Deposito On Call	-	59.750	59.750	0,85	-	60.600	60.600	0,84	On Call Deposits
Deposito Berjangka	-	547.266	547.266	7,78	-	1.023.850	1.023.850	14,20	Time Deposits
Saham	663.508	-	663.508	9,44	606.701	-	606.701	8,41	Stocks
Instrumen Utang									Debt Instruments
Obligasi	2.742.354	-	2.742.354	39,01	2.318.396	-	2.318.396	32,15	Corporate Bonds
Unit Penyertaan Reksa Dana	1.021.522	-	1.021.522	14,53	1.068.656	-	1.068.656	14,82	Investment Units of Mutual Funds
Penempatan Langsung	-	200.435	200.435	2,85	-	132.085	132.085	1,83	Direct Placement
Properti									Property
Tanah	-	63.984	63.984	0,91	-	67.040	67.040	0,93	Land rights
Bangunan	-	425.971	425.971	6,06	-	425.971	425.971	5,91	Buildings
Tanah dan Bangunan	-	290.429	290.429	4,13	-	287.175	287.175	3,98	Land rights and Buildings
Lain-lain	-	66.493	66.493	0,95	-	12.962	12.962	0,18	Others
Jumlah	<u>5.376.139</u>	<u>1.654.328</u>	<u>7.030.467</u>	<u>100,00</u>	<u>5.202.146</u>	<u>2.009.683</u>	<u>7.211.829</u>	<u>100,00</u>	Total

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Tingkat diskonto	9,16% - 9,20%	8,54%	Discount rate
Tingkat kenaikan gaji per tahun	5,35% - 8,30%	6,80%	Rate of salary increase per annum

Kontribusi yang diharapkan untuk program imbalan pascakerja untuk tahun yang berakhir pada 31 Desember 2016 adalah Rp 141.678 juta.

Expected contributions to post-employment benefit plans for the year ending December 31, 2016 are Rp 141,678 million.

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49. LIABILITAS IMBALAN KERJA (lanjutan)

**49. EMPLOYEE BENEFITS OBLIGATION
(continued)**

**Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)**

**Post-employment Benefits Obligation
(continued)**

(i) Program Pensiun (lanjutan)

(i) Pension Plan (continued)

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1,00%	Penurunan sebesar/ Decrease by 2,42%	Kenaikan sebesar/ Increase by 2,75%	Discount rate
Tingkat kenaikan gaji di masa depan	1,00%	Kenaikan sebesar/ Increase by 2,65%	Penurunan sebesar/ Decrease by 2,36%	Salary growth rate
Tingkat mortalitas	1,00%	Penurunan sebesar/ Decrease by 0,02%	Kenaikan sebesar/ Increase by 0,02%	Mortality rate

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas liabilitas kerja jangka panjang atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini liabilitas kerja jangka panjang dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam penghitungan liabilitas kerja jangka panjang yang diakui dalam laporan posisi keuangan konsolidasian.

The sensitivity analyses are based on a change in a single assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the long term benefits obligation to significant actuarial assumptions, the same method (*present value of the long term benefits obligation calculated with the projected unit credit method at the end of the reporting period*) has been applied as when calculating the long term benefits liability recognized within the consolidated statement of financial position.

(ii) Imbalan Pascakerja Lainnya

(ii) Other Post-employment Benefits

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

The movement in the defined benefit obligation over the year is as follows:

	2015	2014 disajikan kembali/ (restated)	
Pada awal tahun	11.306.269	8.713.740	At beginning of the year
Dibebankan ke laba rugi			Charged to profit or loss
Biaya jasa kini	630.213	431.052	Current service cost
Biaya bunga	960.262	787.412	Interest expense
	1.590.475	1.218.464	
Pengukuran kembali:			Remeasurements:
Kerugian aktuarial yang timbul dari perubahan asumsi demografik	283	-	Loss from change in demographic assumptions
Kerugian aktuarial yang timbul dari perubahan asumsi keuangan (Keuntungan)/kerugian aktuarial yang timbul dari kombinasi perubahan asumsi	650.453	1.348.491	Loss from change in financial assumptions
Kerugian dari penyesuaian atas pengalaman	(109.319)	72.705	(Gain)/loss from combination of change in assumptions
	1.394.587	1.268.858	Experience losses
	14.832.748	12.622.258	
Pembayaran manfaat	(1.576.091)	(1.315.989)	Benefit payment
Pada akhir tahun	13.256.657	11.306.269	At end of the year

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49. LIABILITAS IMBALAN KERJA (lanjutan)

**49. EMPLOYEE BENEFITS OBLIGATION
(continued)**

Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)

**Post-employment Benefits Obligation
(continued)**

(ii) Imbalan Pascakerja Lainnya (lanjutan)

(ii) Other Post-employment Benefits (continued)

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Tingkat diskonto	9,10% - 9,19%	8,34%	Discount rate
Tingkat kenaikan gaji per tahun	5,35% - 11,00%	6,80%	Rate of salary increase per annum

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1,00%	Penurunan sebesar/ Decrease by 5,55%	Kenaikan sebesar/ Increase by 6,38%	Discount rate
Tingkat kenaikan gaji di masa depan	1,00%	Kenaikan sebesar/ Increase by 6,18%	Penurunan sebesar/ Decrease by 5,48%	Salary growth rate
Tingkat mortalitas	1,00%	Penurunan sebesar/ Decrease by 0,01%	Kenaikan sebesar/ Increase by 0,01%	Mortality rate

(iii) Imbalan Pemeliharaan Kesehatan

(iii) Health Care Benefits

Perusahaan memiliki beberapa skema imbalan kesehatan pascakerja. Metode akuntansi, asumsi dan frekuensi penilaian adalah sama dengan yang digunakan dalam skema pensiun imbalan pasti.

The Company operates a number of post-employment medical benefit schemes. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes.

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

The movement in the defined benefit obligation over the year is as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Pada awal tahun	31.297.368	26.668.563	At beginning of the year
Dibebankan ke laba rugi:			Profit or loss charge for:
Biaya jasa kini	802.690	693.966	Current service cost
Biaya bunga	2.677.339	2.392.127	Interest expense
	3.480.029	3.086.093	
Pengukuran kembali:			Remeasurements:
Keuntungan aktuarial yang timbul dari perubahan asumsi demografik	(15.389)	-	Gain from change in demographic assumptions
(Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi keuangan	(13.878.086)	1.959.193	(Gain)/loss from change in financial assumptions
Kerugian aktuarial yang timbul dari kombinasi perubahan asumsi	1.366.344	-	Loss from combination of change in assumptions
Kerugian dari penyesuaian atas pengalaman	4.392.763	108.828	Experience Losses
	26.643.029	31.822.677	
Pembayaran manfaat	(673.732)	(525.309)	Benefit payment
Pada akhir tahun	25.969.297	31.297.368	At end of the year

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49. LIABILITAS IMBALAN KERJA (lanjutan)

49. EMPLOYEE BENEFITS OBLIGATION
(continued)

Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)

Post-employment Benefits Obligation
(continued)

(iii) Imbalan Pemeliharaan Kesehatan (lanjutan)

(iii) Health Care Benefits (continued)

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	2015	2014 disajikan kembali/ (restated)	
Tingkat diskonto	9,09% - 9,20%	8,54%	Discount rate
Tingkat kenaikan gaji per tahun	5,35% - 8,30%	6,80%	Rate of salary increase per annum

Sebagai tambahan asumsi yang ada diatas, asumsi utama adalah kenaikan biaya kesehatan jangka panjang sebesar 6,00% per tahun (2014: 9,00%).

In addition to the assumptions set out above, the main actuarial assumption is a long-term increase in health costs of 6.00% a year (2014: 9.00%).

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1,00%	Penurunan sebesar/ Decrease by 10,40%	Kenaikan sebesar/ Increase by 12,61%	Discount rate
Tingkat kenaikan biaya kesehatan di masa depan	1,00%	Kenaikan sebesar/ Increase by 9,75%	Penurunan sebesar/ Decrease by 8,19%	Medical inflation rate
Tingkat mortalitas	1,00%	Penurunan sebesar/ Decrease by 0,55 %	Kenaikan sebesar/ Increase by 0,56 %	Mortality rate

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49. LIABILITAS IMBALAN KERJA (lanjutan)

**49. EMPLOYEE BENEFITS OBLIGATION
(continued)**

**Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)**

**Post-employment Benefits Obligation
(continued)**

Imbalan Kerja Jangka Panjang Lainnya

Other Long-term Benefits

Mutasi kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

The movement in the defined benefit obligation over the year is as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Pada awal tahun	1.175.404	985.792	At beginning of the year
Dibebankan ke laba rugi			Charged to profit or loss
Biaya jasa kini	265.396	230.563	Current service cost
Biaya bunga	<u>98.339</u>	<u>88.425</u>	Interest expense
	363.735	318.988	
Pengukuran kembali:			Remeasurements:
Kerugian aktuarial yang timbul dari perubahan asumsi demografik	174	-	Loss from change in demographic assumptions
Kerugian aktuarial yang timbul dari perubahan asumsi keuangan	8.431	97.413	Loss from change in financial assumptions
Kerugian aktuarial yang timbul dari kombinasi perubahan asumsi (Keuntungan)/kerugian dari penyesuaian atas pengalaman	5.596	4.980	Loss from combination of change in assumptions
	<u>(192.286)</u>	<u>73.494</u>	Experience (gains)/losses
	1.361.054	1.480.667	
Pembayaran manfaat	<u>(359.872)</u>	<u>(305.263)</u>	Benefit payment
Pada akhir tahun	<u>1.001.182</u>	<u>1.175.404</u>	At end of the year

Asumsi aktuarial utama yang digunakan adalah sebagai berikut:

The principal actuarial assumptions used were as follows:

	<u>2015</u>	<u>2014</u> disajikan kembali/ (restated)	
Tingkat diskonto	9,10% - 9,19%	8,34%	Discount rate
Tingkat kenaikan gaji per tahun	5,35% - 8,30%	6,80%	Rate of salary increase per annum

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuarial utama adalah sebagai berikut:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Dampak atas kewajiban imbalan pasti/ Impact on defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	1,00%	Penurunan sebesar/ Decrease by 2,04%	Kenaikan sebesar/ Increase by 2,17%	Discount rate
Tingkat kenaikan gaji di masa depan	1,00%	Kenaikan sebesar/ Increase by 2,06%	Penurunan sebesar/ Decrease by 1,97%	Salary growth rate
Tingkat mortalitas	1,00%	Kenaikan sebesar/ Increase by 0,00%	Penurunan sebesar/ Decrease by 0,00%	Mortality rate

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49. LIABILITAS IMBALAN KERJA (lanjutan)

Liabilitas Imbalan Pascakerja Karyawan
(lanjutan)

Imbalan Kerja Jangka Panjang Lainnya
(lanjutan)

Perusahaan terekspos dengan beberapa risiko melalui program imbalan pasti dan program kesehatan pascakerja. Risiko yang paling signifikan adalah sebagai berikut:

Volatilitas aset

Kewajiban program dihitung menggunakan tingkat diskonto yang merujuk kepada tingkat imbal hasil surat utang negara. Jika imbal hasil aset program lebih rendah, maka akan menghasilkan defisit program.

Harapan umur hidup

Sebagian besar dari kewajiban program menyediakan manfaat seumur hidup, sehingga kenaikan harapan umur hidup akan mengakibatkan kenaikan liabilitas program.

Investasi didiversifikasi dengan baik, sehingga kinerja buruk satu investasi tidak akan memberikan dampak material bagi seluruh kelompok aset. Proporsi terbesar aset investasi ditempatkan pada instrumen ekuitas, meskipun Perusahaan dan entitas anak juga berinvestasi pada properti, obligasi, reksadana dan kas. Perusahaan dan entitas anak meyakini bahwa instrumen ekuitas memberikan imbal hasil yang paling baik dalam jangka panjang pada tingkatan risiko yang dapat diterima.

Rata-rata durasi kewajiban imbalan pasti adalah 26,36 tahun.

Analisa jatuh tempo yang diharapkan dari imbalan pascakerja dan imbalan jangka panjang lainnya yang tidak terdiskonto adalah sebagai berikut:

	Kurang dari 1 tahun/ Less than a year	2 sampai 5 tahun/ Between 2- 5 years	Lebih dari 5 tahun/ Over 5 years	Jumlah/ Total
Imbalan Pascakerja				
Program Pensiun	594.314	1.404.092	2.397.786	4.396.192
Imbalan Pascakerja lainnya	2.015.788	7.847.826	105.631.661	115.495.275
Imbalan Pemeliharaan Kesehatan	723.317	1.651.898	1.330.752	3.705.967
Imbalan Kerja Jangka Panjang lainnya	<u>318.318</u>	<u>1.359.707</u>	<u>1.760.026</u>	<u>3.438.051</u>
Total	<u>3.651.737</u>	<u>12.263.523</u>	<u>111.120.225</u>	<u>127.035.485</u>

49. EMPLOYEE BENEFITS OBLIGATION
(continued)

Post-employment Benefits Obligation
(continued)

Other Long-term Benefits (continued)

The Company is exposed to a number of risks through its defined benefit pension plans and post-employment medical plans. The most significant risks are as follows:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform this yield, this will create a deficit.

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the plans' liabilities.

Investments are well-diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in equities, although the Company and its subsidiaries also invests in property, bonds, mutual funds and cash. The Group believes that equities offer the best returns over the long term with an acceptable level of risk.

The weighted average duration of the defined benefit obligation is 26.36 years.

Expected maturity analysis of undiscounted post-employment benefit and other long-term benefit is as follows:

Post-Employment Benefits
Pension Plan
Other Post-Employment Benefit
Health care benefits
Other long-term benefits
Total

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50. TRANSAKSI NON-KAS

50. NON-CASH TRANSACTIONS

	2015	2014	
Aktivitas investasi dan pendanaan yang tidak mempengaruhi kas:			<i>Non-cash investing and financing activities:</i>
Perolehan pekerjaan dalam pelaksanaan melalui:			<i>Additions to construction in progress through:</i>
Penarikan pinjaman dan utang biaya proyek	2.871.885	1.695.567	<i>Drawdown of loans and project cost payable</i>
Bantuan Pemerintah	1.678.761	2.595.489	<i>Government equity participation</i>
Kapitalisasi biaya pinjaman	1.390.684	997.479	<i>Capitalization of borrowing costs</i>
Kapitalisasi beban penyusutan	8.571	109.206	<i>Capitalization of depreciation expense</i>
Mutasi utang lain-lain	2.963.801	(2.047.945)	<i>Movement of other payables</i>
Pembayaran pajak revaluasi aset melalui subsidi listrik Pemerintah	3.000.000	-	<i>Tax payment on asset revaluation through Government's electricity subsidy</i>
Penambahan ventura bersama melalui reklasifikasi aset tidak lancar lain	20.403	-	<i>Addition of joint venture through reclassification from non-current assets</i>
Penambahan nilai aset dan properti investasi melalui hasil revaluasi	653.441.219	-	<i>Addition of value of assets and investment properties through revaluation</i>

51. SIFAT DAN TRANSAKSI DENGAN PIHAK BERELASI

51. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

Sifat Hubungan Berelasi

Nature of Related Parties

- | | |
|---|---|
| <p>a. Pemerintah dalam hal ini adalah Menteri Keuangan Republik Indonesia yang merupakan pemegang saham Perusahaan dan BUMN.</p> <p>b. Perusahaan dan entitas anak mempunyai hubungan berelasi dengan BUMN lainnya yang dimiliki bersama oleh Menteri Keuangan dan perusahaan lain yang dimiliki oleh Pemerintah Daerah.</p> <p>c. Perusahaan dan entitas anak mempunyai pengaruh signifikan atas investasi pada entitas asosiasi atau ventura bersama (Catatan 8).</p> <p>d. Dewan Komisaris dan Direksi merupakan personil manajemen kunci Perusahaan dan entitas anak.</p> | <p>a. <i>The Government is the Ministry of Finance of the Republic of Indonesia, the Stockholder of the Company and SOE.</i></p> <p>b. <i>The Company and its subsidiaries are related to other SOE owned by the Ministry of Finance and other companies owned by Regional Government.</i></p> <p>c. <i>The Company and its subsidiaries have significant influence on investments in associates or joint ventures (Note 8).</i></p> <p>d. <i>The Board of Commissioners and Directors is a member of the key management of the Company and its subsidiaries.</i></p> |
|---|---|

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**51. SIFAT DAN TRANSAKSI DENGAN PIHAK
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**51. NATURE OF RELATIONSHIPS AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

Sifat Hubungan Berelasi (lanjutan)

Nature of Related Parties (continued)

Berikut ini adalah daftar pihak berelasi yang memiliki transaksi dengan Perusahaan:

Below is the list of related parties with which the Company has transactions:

<u>Pihak-pihak berelasi/ Related parties</u>	<u>Sifat hubungan/ Nature of relationship</u>	<u>Sifat transaksi/ Nature of transaction</u>
Bank Rakyat Indonesia	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas dan investasi jangka pendek/Restricted cash in bank and time deposit, cash and cash equivalent and short-term investment
Bank Mandiri	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Rekening bank dan deposito berjangka dibatasi penggunaannya, kas dan setara kas dan investasi jangka pendek/Restricted cash in bank and time deposit, cash and cash equivalent and short-term investment
Bank Negara Indonesia	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Rekening bank dan deposito berjangka dibatasi penggunaannya dan kas dan setara kas/ Restricted cash in bank and time deposit and cash equivalent
Bank DKI	BUMD yang dimiliki oleh Pemerintah Daerah Provinsi/Regional enterprise owned by Provincial Government	Kas dan setara kas/cash and cash equivalent
Bank Tabungan Negara	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Kas dan setara kas/cash and cash equivalent
PT Wijaya Karya - Navigat	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi sewa PLTD HSD Lirik/Rent transaction of PLTD HSD Lirik
PT Pertamina Geothermal Energi	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian tenaga listrik untuk PLTP Lahendong, Ulubelu dan Kamojang/ Power purchase transaction for PLTP Lahendong, Ulubelu and Kamojang
PT Wijaya Karya - Mirlindo Padu Kencana	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian tenaga listrik/ Power purchase transaction
PT Pertamina	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian bahan bakar dan minyak pelumas/Fuel and lubricants transaction
PT Tambang Batubara Bukit Asam Tbk	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian bahan bakar dan minyak pelumas/Fuel and lubricants transaction
PT Perusahaan Gas Negara	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian bahan bakar dan minyak pelumas/Fuel and lubricants transaction
PT Wijaya Karya	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian tenaga listrik/ Power purchase transaction
PT Transportasi Gas Indonesia	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Hutang biaya transportasi gas untuk Unit Pembangkitan Sumatera Bagian Utara (KITSBU)/ Payable of gas transportation cost for Unit Pembangkitan Sumatera Bagian Utara (KITSBU)
PT Nusantara Regas	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian gas untuk IP dan PJB/ Gas purchase transaction for IP and PJB
PT Surveyor Indonesia	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pelayanan teknik, survei dan pengukuran batubara/Engineering services survey and coal measurement
PT Sucofindo	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pelayanan teknik, survei dan pengukuran batubara/Engineering service, survey and coal measurement
PT Jakarta Lloyd	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi biaya transportasi bahan bakar dan batubara di KITSBU/Fuel and coal transportation transactions in KITSBU
PT Asuransi Jasa Indonesia	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Asuransi bangunan, instalasi dan mesin pembangkit, perlengkapan transmisi serta kapal milik Perusahaan/Insurance of buildings, installation and power plant, transmission equipment and vessels owned by the Company
Perum Jasa Tirta	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian tenaga listrik/ Power purchase transactions
BUMN lainnya/other SOE	BUMN yang dimiliki oleh Menteri Keuangan/ SOE owned by Ministry of Finance	Transaksi pembelian tenaga listrik/ Power purchase transactions
PT Geo Dipa Energi	Entitas asosiasi/Associate	Transaksi pembelian tenaga listrik dan pinjaman yang diberikan untuk membangun pembangkit listrik tenaga panas bumi dan kontrak penyediaan tenaga listrik/Power purchase transaction and a loan given to construct a geothermal power plant and power purchase contract

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**51. NATURE OF RELATIONSHIPS AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

Sifat Hubungan Berelasi (lanjutan)

Nature of Related Parties (continued)

Pihak-pihak berelasi/ <i>Related parties</i>	Sifat hubungan/ <i>Nature of relationship</i>	Sifat transaksi/ <i>Nature of transaction</i>
PT Tanjung Kasam Power	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Dalle Energy Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Mitra Energi Batam	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Sumber Segara Primadaya	Entitas asosiasi/ <i>Associate</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Bajradaya Sentranusa	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Komipo Pembangkitan Jawa Bali	Ventura bersama/ <i>Joint venture</i>	Transaksi pembelian tenaga listrik/ <i>Power purchase transactions</i>
PT Perta Daya Gas	Ventura bersama/ <i>Joint venture</i>	Pinjaman jangka panjang untuk membiayai proyek <i>compressed natural gas (CNG)</i> di PLTU Tambak Lorok, Semarang/ <i>Long-term loan for the financing of the compressed natural gas (CNG) project in PLTU Tambak Lorok, Semarang</i>
Dana pensiun PLN	Program imbalan pascakerja/ <i>Post-employment benefit plan</i>	Pembayaran kontribusi Perusahaan dan entitas anak program iuran pensiun/ <i>Payment of contribution for the Group's defined contribution plan</i>

Saldo dan Transaksi dengan Pihak Berelasi

**Balances and Transactions with Related
Parties**

	Catatan/ <i>Notes</i>	2015		2014		
		Rp	% *)	Rp	% *)	
Piutang pihak berelasi	9					<i>Receivables from related parties</i>
Entitas asosiasi						<i>Associates</i>
PT Tanjung Kasam Power		23.935	0,00%	23.935	0,00%	<i>PT Tanjung Kasam Power</i>
PT Mitra Energi Batam		683	0,00%	3.712	0,00%	<i>PT Mitra Energi Batam</i>
PT Geo Dipa Energi		-	-	76.500	0,01%	<i>PT Geo Dipa Energi</i>
PT Dalle Energy Batam		-	-	960	0,00%	<i>PT Dalle Energy Batam</i>
Ventura bersama						<i>Joint ventures</i>
PT Perta Daya Gas		293.369	0,02%	249.072	0,04%	<i>PT Perta Daya Gas</i>
PT Komipo Pembangkitan Jawa Bali		22.329	0,00%	27.441	0,00%	<i>PT Komipo Pembangkitan Jawa Bali</i>
Sub jumlah		340.316	0,02%	381.620	0,05%	<i>Sub total</i>
Rekening bank dan deposito berjangka dibatasi penggunaannya	10					<i>Restricted cash in banks and time deposits</i>
BUMN yang dimiliki oleh Menteri Keuangan						<i>SOE owned by Ministry of Finance</i>
Bank Mandiri		14.345	0,00%	6.733	0,00%	<i>Bank Mandiri</i>
Bank Negara Indonesia		777	0,00%	506	0,00%	<i>Bank Negara Indonesia</i>
Bank Rakyat Indonesia		-	-	450	0,00%	<i>Bank Rakyat Indonesia</i>
Sub jumlah		15.122	0,00%	7.689	0,00%	<i>Sub total</i>
Kas dan setara kas	12					<i>Cash and cash equivalents</i>
BUMN yang dimiliki oleh Menteri Keuangan						<i>SOE owned by Ministry of Finance</i>
Bank Rakyat Indonesia		9.632.824	0,73%	9.349.008	1,54%	<i>Bank Rakyat Indonesia</i>
Bank Negara Indonesia		4.109.475	0,31%	5.559.268	0,92%	<i>Bank Negara Indonesia</i>
Bank Mandiri		4.431.149	0,34%	4.375.766	0,72%	<i>Bank Mandiri</i>
Bank Tabungan Negara		2.898	0,00%	29.360	0,00%	<i>Bank Tabungan Negara</i>
BUMD yang dimiliki oleh Pemerintah Daerah						<i>Regional enterprise owned by Provincial Government</i>
Provinsi						<i>Provincial Government</i>
Bank DKI		968.905	0,07%	939.654	0,15%	<i>Bank DKI</i>
Sub jumlah		19.145.251	1,45%	20.253.056	3,33%	<i>Sub total</i>
Investasi jangka pendek	13					<i>Short-term investment</i>
BUMN yang dimiliki oleh Menteri Keuangan						<i>SOE owned by Ministry of Finance</i>
Bank Mandiri		66.150	0,01%	9.790	0,00%	<i>Bank Mandiri</i>
Bank Rakyat Indonesia		50.000	0,00%	84.100	0,01%	<i>Bank Rakyat Indonesia</i>
Sub jumlah		116.150	0,01%	93.890	0,01%	<i>Sub total</i>
Piutang usaha	14					<i>Trade accounts receivable</i>
Badan Usaha Milik Negara		571.894	0,04%	584.802	0,10%	<i>State-owned enterprises</i>
Piutang subsidi listrik	15	17.501.009	1,33%	19.280.861	3,17%	<i>Receivables on electricity subsidy</i>
Jumlah		37.689.742	2,85%	40.601.918	6,66%	Total

*) Persentase terhadap jumlah aset/liabilitas/pendapatan/beban yang bersangkutan/*Percentage to related total assets/liabilities/revenues/expenses*

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**51. SIFAT DAN TRANSAKSI DENGAN PIHAK
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**51. NATURE OF RELATIONSHIPS AND
TRANSACTIONS WITH RELATED PARTIES
(continued)**

**Saldo dan Transaksi dengan Pihak Berelasi
(lanjutan)**

**Balances and Transactions with Related
Parties (continued)**

	Catatan/ Notes	2015		2014		
		Rp	% *)	Rp	% *)	
Penerusan pinjaman	23	31.710.583	6,22%	29.097.684	6,41%	Two-step loans
Utang kepada Pemerintah dan Lembaga keuangan Pemerintah non bank	24	8.488.486	1,67%	8.665.726	1,91%	Government and non bank Government Financial Institution Loans
Utang sewa pembiayaan	25					Lease liabilities
Entitas asosiasi						Associates
PT Sumber Segara Primadaya		7.342.528	1,44%	6.631.483	1,46%	PT Sumber Segara Primadaya
PT Geo Dipa Energi		1.560.552	0,31%	1.413.227	0,31%	PT Geo Dipa Energi
PT Tanjung Kasam Power		1.180.767	0,23%	1.193.605	0,26%	PT Tanjung Kasam Power
PT Dalle Energy Batam		684.448	0,13%	711.425	0,16%	PT Dalle Energy Batam
PT Mitra Energy Batam		90.886	0,02%	112.408	0,02%	PT Mitra Energy Batam
Ventura bersama						Joint ventures
PT Bajradaya Sentranusa Asahan		4.745.768	0,93%	4.297.521	0,95%	PT Bajradaya Sentranusa Asahan
PT Bukit Pembangkit Innovative		3.179.676	0,62%	-	0,00%	PT Bukit Pembangkit Innovative
BUMN yang dimiliki oleh Menteri Keuangan						SOE owned by Ministry of Finance
PT Pertamina Geothermal Energi		1.713.522	0,34%	867.690	0,19%	PT Pertamina Geothermal Energi
PT Wijaya Karya - Navigat		481.777	0,09%	576.192	0,13%	PT Wijaya Karya - Navigat
PT Wijaya Karya - Mirindo Padu Kencana		352.108	0,07%	404.096	0,09%	PT Wijaya Karya - Mirindo Padu Kencana
Sub jumlah		21.332.032	4,18%	16.207.647	3,57%	Subtotal
Utang bank	26					Bank loans
BUMN yang dimiliki oleh Menteri Keuangan						SOE owned by Ministry of Finance
Bank Rakyat Indonesia		17.249.819	3,39%	13.033.795	2,87%	Bank Rakyat Indonesia
Bank Negara Indonesia		11.571.199	2,27%	5.097.986	1,12%	Bank Negara Indonesia
Bank Mandiri		7.357.554	1,44%	8.878.910	1,96%	Bank Mandiri
BUMD yang dimiliki oleh Pemerintah Daerah						Regional enterprise owned by Provincial Government
Provinsi						Provincial Government
Bank DKI		3.513.394	0,69%	2.154.570	0,47%	Bank DKI
Sub jumlah		39.691.966	7,79%	29.165.261	6,42%	Sub total
Utang pihak berelasi	29					Payable to related parties
Entitas asosiasi						Associates
PT Mitra Energi Batam		2.196	0,00%	5.434	0,00%	PT Mitra Energi Batam
PT Dalle Energy Batam		370	0,00%	1.897	0,00%	PT Dalle Energy Batam
Sub jumlah		2.566	0,00%	7.331	0,00%	Sub total
Utang usaha	30					Trade accounts payable
Entitas asosiasi						Associates
PT Sumber Segara Primadaya		345.907	0,07%	242.638	0,05%	PT Sumber Segara Primadaya
PT Tanjung Kasam Power		92.224	0,02%	50.400	0,01%	PT Tanjung Kasam Power
PT Geo Dipa Energi		63.504	0,01%	-	0,00%	PT Geo Dipa Energi
PT Dalle Energy Batam		55.233	0,01%	44.680	0,01%	PT Dalle Energy Batam
PT Mitra Energi Batam		15.822	0,00%	41.897	0,01%	PT Mitra Energi Batam
Ventura bersama						Joint venture
PT Bajradaya Sentranusa		97.701	0,02%	104.664	0,02%	PT Bajradaya Sentranusa
PT Komipo Pembangkitan Jawa Bali		133.819	0,03%	75.919	0,02%	PT Komipo Pembangkitan Jawa Bali
BUMN yang dimiliki oleh Menteri Keuangan						SOE owned by Ministry of Finance
PT Pertamina		6.414.466	1,26%	9.820.434	2,16%	PT Pertamina
PT Tambang Batubara Bukit Asam Tbk		663.328	0,13%	677.527	0,15%	PT Tambang Batubara Bukit Asam Tbk
PT Nusantara Regas		329.104	0,06%	536.370	0,12%	PT Nusantara Regas
PT Perusahaan Gas Negara		312.389	0,06%	802.366	0,18%	PT Perusahaan Gas Negara
PT Pertamina Geothermal Energy		257.063	0,05%	35.078	0,01%	PT Pertamina Geothermal Energy
Perum Jasa Tirta		74.266	0,01%	65.535	0,01%	Perum Jasa Tirta
PT Jakarta Lloyd		22.218	0,00%	3.098	0,00%	PT Jakarta Lloyd
PT Sucofindo		5.798	0,00%	5.708	0,00%	PT Sucofindo
PT Transportasi Gas Indonesia		4.857	0,00%	-	0,00%	PT Transportasi Gas Indonesia
PT Surveyor Indonesia		3.706	0,00%	6.370	0,00%	PT Surveyor Indonesia
PT Wijaya Karya		2.762	0,00%	59.006	0,01%	PT Wijaya Karya
Pihak berelasi lainnya						Other related parties
Lain-lain		16.271	0,00%	83.301	0,02%	Others
Sub jumlah		8.910.438	1,73%	12.654.991	2,78%	Sub total
Biaya masih harus dibayar	33					Accrued expenses
Bunga dan beban keuangan						Interest and financing charges
Penerusan pinjaman		219.259	0,04%	227.981	0,05%	Two-step loans
Utang bank BUMN yang dimiliki oleh Menteri Keuangan						Bank loans from SOE owned by Ministry of Finance
Bank Mandiri		168.748	0,03%	162.195	0,04%	Bank Mandiri
Bank Rakyat Indonesia		138.365	0,03%	140.735	0,03%	Bank Rakyat Indonesia
Bank Negara Indonesia		54.357	0,01%	41.089	0,01%	Bank Negara Indonesia
Penalti atas pembelian BBM dari BUMN yang dimiliki oleh Menteri Keuangan						Penalties on purchase of fuel from SOE owned by Ministry of Finance
PT Pertamina		18.572	0,00%	18.572	0,00%	PT Pertamina
Utang kepada Pemerintah dan Lembaga keuangan Pemerintah non bank		114.460	0,02%	30.163	0,01%	Government and non bank Government Financial Institution Loans
Sub jumlah		713.761	0,13%	620.735	0,14%	Sub total
Jumlah		110.849.832	21,72%	96.419.375	21,23%	Total

*) Persentase terhadap jumlah aset/liabilitas/pendapatan/beban yang bersangkutan/Percentage to related total assets/liabilities/revenues/expenses

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**51. NATURE OF RELATIONSHIPS AND
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**Saldo dan Transaksi dengan Pihak Berelasi
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**Balances and Transactions with Related
Parties (continued)**

	Catatan/ Notes	2015		2014		
		Rp	% *)	Rp	% *)	
Penjualan tenaga listrik BUMN yang dimiliki Menteri Keuangan	36	5.398.588	2,57%	5.084.025	2,72%	Sale of electricity SOE owned by Ministry of Finance
Subsidi listrik Pemerintah	37	56.552.532	100,00%	99.303.250	100,00%	Government's electricity subsidy
Beban bahan bakar dan pelumas BUMN yang dimiliki Menteri Keuangan	39					Fuel and lubricants expense SOE owned by Ministry of Finance
PT Pertamina		45.924.873	33,18%	60.747.294	35,63%	PT Pertamina
PT Perusahaan Gas Negara		13.747.818	9,93%	7.805.325	4,58%	PT Perusahaan Gas Negara
PT Nusantara Regas		10.656.308	7,70%	12.601.820	7,39%	PT Nusantara Regas
PT Tambang Batubara Bukit Asam Tbk		6.723.120	4,86%	1.700.791	1,00%	PT Tambang Batubara Bukit Asam Tbk
Jumlah		77.052.119	55,67%	82.855.230	48,60%	Total
Beban pemeliharaan Ventura bersama	42					Maintenance expenses Joint venture
PT Komipo Pembangkitan Jawa Bali		204.103	0,93%	574.025	2,84%	PT Komipo Pembangkitan Jawa Bali
Beban usaha lain-lain BUMN yang dimiliki Menteri Keuangan	44					Other operating expenses SOE owned by Ministry of Finance
PT Asuransi Jasa Indonesia		712.967	10,06%	342.468	6,24%	PT Asuransi Jasa Indonesia
PT Surveyor Indonesia		49.636	0,70%	26.480	0,48%	PT Surveyor Indonesia
PT Sucofindo		9.715	0,14%	33.553	0,61%	PT Sucofindo
Jumlah		772.318	10,90%	402.501	7,33%	Total
Beban keuangan	45					Financial cost
Utang sewa pembiayaan		3.065.008	7,67%	2.925.616	8,13%	Lease liabilities
Utang bank		2.803.534	7,01%	2.383.624	6,63%	Bank loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank		569.073	1,42%	597.610	1,66%	Government and non bank Government Financial Institution Loans
Penerusan pinjaman		564.820	1,41%	788.463	2,19%	Two-step loans
Utang usaha pembelian bahan bakar		17.133	0,04%	18.514	0,05%	Trade accounts payable on purchase of fuel
Jumlah		7.019.568	17,55%	6.713.827	18,66%	Total

*) Persentase terhadap jumlah aset/liabilitas/pendapatan/beban yang bersangkutan/Percentage to related total assets/liabilities/revenues/expenses

Jumlah kompensasi Dewan Komisaris Perusahaan pada tahun 2015 dan 2014 masing-masing sebesar Rp 16.303 juta dan Rp 12.866 juta.

Total compensation of the Company's Board of Commissioners in 2015 and 2014 amounted to Rp 16,303 million and Rp 12,866 million, respectively.

Jumlah kompensasi Direksi Perusahaan tahun 2015 dan 2014 masing-masing sebesar Rp 34.737 juta dan Rp 29.057 juta.

Total compensation of the Company's Directors in 2015 and 2014 amounted to Rp 34,737 million and Rp 29,057 million, respectively.

Seluruh kompensasi kepada Dewan Komisaris dan Direksi Perusahaan merupakan imbalan kerja jangka pendek.

All the compensation to the Company's Board of Commissioners and Directors represent short-term employee benefits.

Informasi mengenai kontribusi yang dilakukan Perusahaan dan entitas anak ke DP-PLN diungkapkan di Catatan 49.

Information about the contributions made by the Company and its subsidiaries to DP-PLN is disclosed in Note 49.

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**52. ASET DAN LIABILITAS MONETER DALAM
MATA UANG ASING (lanjutan)**

Pada tanggal 31 Desember 2015 dan 2014, kurs konversi yang digunakan Perusahaan dan entitas anak sebagai berikut:

	<u>2015</u>	<u>2014</u>	
	<u>Kurs tengah/ Middle rate</u>	<u>Kurs tengah/ Middle rate</u>	
	Rp *)	Rp *)	Currency
Mata uang			
JPY	115	104	JPY
US\$	13.795	12.440	US\$
EUR	15.070	15.133	EUR
AUD	10.064	10.218	AUD
CHF	13.951	12.583	CHF
GBP	20.451	19.370	GBP

*) Dalam jumlah penuh

Sehubungan dengan fluktuasi kurs mata uang Rupiah terhadap mata uang asing, Perusahaan dan entitas anak mencatat rugi kurs mata uang asing bersih sebesar Rp 27.326.131 juta tahun 2015 dan laba kurs sebesar Rp 1.319.299 juta tahun 2014.

Apabila aset dan liabilitas dalam mata uang asing pada tanggal 31 Desember 2015 dijabarkan dengan menggunakan kurs penutupan mata uang asing pada tanggal 26 April 2017, maka liabilitas bersih dalam mata uang asing Perusahaan dan entitas anak akan turun sebesar Rp 8.597.715 juta.

53. SEGMENT OPERASI

Informasi Wilayah Geografis

Segmen operasi disusun sesuai dengan kebijakan akuntansi yang dianut dalam penyusunan dan penyajian laporan keuangan konsolidasian.

Untuk tujuan pelaporan manajemen, pada tanggal 31 Desember 2015 dan 2014, Perusahaan dan entitas anak dibagi dalam operasi geografis Sumatera, Jawa-Bali, Kalimantan, Sulawesi dan Nusa Tenggara ("Sulnusra"), dan Maluku Papua. Operasi geografis tersebut menjadi dasar pelaporan informasi segmen Perusahaan dan entitas anak, rinciannya adalah sebagai berikut:

**52. MONETARY ASSETS AND LIABILITIES
DENOMINATED IN FOREIGN CURRENCIES
(continued)**

The conversion rates used by the Company and its subsidiaries on December 31, 2015 and 2014 are as follows:

*) In full amount

In relation to the fluctuation of the Rupiah against foreign currencies, the Company and its subsidiaries recorded net loss on foreign exchange of Rp 27,326,131 million in 2015 and net gain amounting to Rp 1,319,299 million in 2014.

If assets and liabilities in foreign currencies as at December 31, 2015 had been translated using the closing rates as of April 26, 2017, the total net foreign currency liabilities of the Company and its subsidiaries would have decreased by Rp 8,597,715 million.

53. OPERATING SEGMENT

Geographical Information

The operating segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements.

For management reporting purposes, in December 31, 2015 and 2014, the Company and its subsidiaries were divided into Sumatera, Java-Bali, Kalimantan, Sulawesi and Nusa Tenggara ("Sulnusra"), and Maluku Papua. These geographical operations are the basis on which the Company and its subsidiaries report segment information, with the following details:

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53. SEGMENT OPERASI (lanjutan)

53. OPERATING SEGMENT (continued)

Informasi Wilayah Geografis (lanjutan)

Geographical Information (continued)

	2015					Jumlah/ Total	
	Sumatera	Jawa Bali/ Java Bali	Kalimantan	Sulnusra	Maluku Papua		
Pendapatan usaha							Revenue
Pendapatan eksternal	31.596.345	164.731.030	8.447.066	10.260.822	2.311.727	217.346.990	External revenue
Hasil segmen	(11.262.043)	(47.554.980)	(8.386.428)	(9.540.035)	(3.723.832)	(80.467.318)	Segment results
Pendapatan tidak dapat dialokasikan, bersih						72.240.232	Unallocated income, net
Rugi usaha sebelum pendapatan lain-lain						(8.227.086)	Operating loss before other income
Penghasilan lain-lain tidak dapat dialokasikan						(7.686.349)	Unallocated income
Manfaat pajak						21.939.942	Tax benefit
Laba tahun berjalan						6.026.507	Income for the year
Aset segmen	105.742.828	773.222.927	38.443.243	38.655.087	8.351.229	964.415.314	Segment assets
Aset tidak dapat dialokasikan						349.955.567	Unallocated assets
Jumlah aset konsolidasi						1.314.370.881	Total consolidated assets
Liabilitas segmen	17.413.013	198.739.177	5.368.863	5.470.728	1.880.500	228.872.281	Segment liabilities
Liabilitas tidak dapat dialokasikan						280.707.983	Unallocated liabilities
Jumlah liabilitas konsolidasi						509.580.264	Total consolidated liabilities

	2014					Jumlah/ Total	
	Sumatera	Jawa Bali/ Java Bali	Kalimantan	Sulnusra	Maluku Papua		
Pendapatan usaha							Revenue
Pendapatan eksternal	26.514.443	149.078.615	7.197.197	9.025.043	1.602.643	193.417.941	External revenue
Hasil segmen	(27.769.803)	22.428.939	(13.478.802)	(15.371.211)	(5.643.838)	(39.834.715)	Segment results
Beban tidak dapat dialokasikan, bersih						(14.553.633)	Unallocated expenses, net
Rugi usaha sebelum pendapatan lain-lain						(54.388.348)	Operating loss before other income
Laba usaha						69.392.417	Operating income
Pendapatan lain-lain tidak dapat dialokasikan						69.392.417	Unallocated income
Beban pajak						(3.934.699)	Tax expense
Laba tahun berjalan						11.069.370	Income for the year
Aset segmen	95.259.661	244.119.949	34.842.161	35.034.161	7.568.947	416.824.879	Segment assets
Aset tidak dapat dialokasikan						190.623.445	Unallocated assets
Jumlah aset konsolidasi						607.448.324	Total consolidated assets
Liabilitas segmen	78.273.283	261.968.466	32.074.190	32.682.743	11.234.318	416.233.000	Segment liabilities
Liabilitas tidak dapat dialokasikan						37.911.509	Unallocated liabilities
Jumlah liabilitas konsolidasi						454.144.509	Total consolidated liabilities

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54. IKATAN DAN KONTINJENSI

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak memiliki perikatan penting dan kontinjensi sebagai berikut:

a. Perjanjian pengadaan bahan bakar

i. Gas

Sektor/ Sector	Pemasok/ Supplier	Periode/ Period	Satuan/ Unit	Kuantitas/ Quantity ^{a)}
Cilegon	a)	2006-2018	bbtu	356.300
Cilegon	PT Perusahaan Gas Negara (Persero) Tbk	2009-2019	bbtu	101.400
Muara Karang - Priok	b)	2004-2017	bbtu	679.000
Muara Tawar	PT Perusahaan Gas Negara (Persero) Tbk	2008-2016	bbtu	287.245
Muara Tawar. Payo Selincah. Rengat. Duri	c)	2009-2020	bbtu	182.585
Muara Tawar, Inderalaya, Borang	Medco E&P Lematang	2009-2017	bbtu	129.136
Gresik	Kangean Energy Indonesia Ltd	2010-2027	bbtu	368.700
Gresik	PT Pertamina Hulu Energy West Madura Offshore	2002-2018	bbtu	482.560
Gresik	Hess Ltd	2006-2026	mmscf	330.200
Gresik	PT Walinusa Energi	2010-2018	bbtu	44.160
Aceh	PT Medco E&P Malaka	2010-2027	bbtu	85.000
Belawan	PT Pertamina EP/TAC Pertamina Glagah Kambuna	2009-2017	mmscf	65.650
Pekanbaru	Kalila Bentu Ltd	2005-2020	bbtu	128.619
Keramasan	PT Pertamina EP	2010-2020	bbtu	27.735
Payo Selincah	PT Energasindo Heksa Karya	2009-2018	bbtu	104.002
Tanjung Batu	PT Pertamina EP	2005-2016	bbtu	79.026
Tarakan	PT Pertamina EP	2012-2016	bbtu	2.558
Bontang	Total E&P Indonesia. INPEX Co	2009-2017	bbtu	681
Batam	PT Perusahaan Gas Negara (Persero) Tbk	2004-2019	bbtu	72.270
Tanjung Priok	PT Perusahaan Gas Negara (Persero) Tbk	2012-2016	bbtu	10.950
Grati	d) Lapangan Oyong	2009-2016	bbtu	116.070
Talang Duku	PT Perusahaan Gas Negara (Persero) Tbk	2009-2019	bbtu	21.000
Sungai Gelam	PT Pertamina EP	2011-2017	mmscf	8.434
Bangkanai	Salamander Energy (Bangkanai) Ltd	2013-2023	bbtu	104.000
Sengkang	Energy Equity Epic (Sengkang) Pty Ltd	2012-2022	bbtu	51.945
Muara Tawar	PT Pertamina EP	2010-2015 ¹⁾	bbtu	61.281
Tambak Lorok	PT Sumber Petrido Perkasa	2010-2022	bbtu	219.000
Grati	d) Lapangan Wortel	2012-2018	bbtu	55.827
Grati	PT Parma Raya	2009-2020	mmscf	280.000
Batam	Premier Oil Natuna Sea B.V.; Natuna 1 B.V.; Natuna 2 B.V.; Kufpec Indonesia (Natuna) B.V.	2011-2022	bbtu	280.100
Grati	PT Sampang Mandiri Perkasa	2012-2019	bbtu	31.793
Grati	PT Pasuruan Migas	2012-2019	bbtu	5.911
Jakabaring (CNG)	PDPDE Prov Sumatera Selatan	2012-2020	bbtu	8.340
Tambak Lorok	PC Muriah Ltd	2014-2026	bbtu	354.000
Melibur	Kondur Petroleum SA	2012-2020	bbtu	831
Nunukan	PT Pertamina EP	2012-2018	mmscf	4.200
Sungai Gelam	Pertamina EP (Own Operation UBEPE Jambi)	2012-2017	mmscf	3.500
Sanga Sanga (CBM)	Virginia Indonesia Co. CBM Limited	2012-2019	mmscf	366
Muara Karang - Priok (LNG)	PT Nusantara Regas	2012-2022	Juta Ton	11
Tanjung Selor	Perusda Nusa Serambi Persada	2013-2024	bbtu	11.550
Bunyu Kaltim	PT Pertamina EP	2012-2016	mmscf	609
Gresik	Santos (Madura Offshore) Peluang	2013-2017	bbtu	33.362
Gresik	PT Surya Cipta Internusa	2013-2016	bbtu	4.190
Sumatera	PDPDE Prov Sumatera Selatan	2013-2019	bbtu	9.250
Tarakan	But. Manhattan Kalimantan Investment Pte.Ltd	2012-2018	bbtu	10.500
Batam	Inti Daya Latu Prima	2012-2019	bbtu	11.685
Gresik	Petrogas Jatim Utama	2013-2017	mmscf	39.898
Belawan. Muara Karang. Priok (LNG)	Tangguh PSC Contract Parties	2015-2033	kargo	406
Rawa Minyak, Riau	Petrosetal Ltd.	2015-2020	bbtu	7.802
Tana Tidung	PT Pertamina Hulu Energi Simenggaris dan PT Medco E&P Simenggaris	2015-2020	mmscf	805

- a) CNOOC SES Ltd.; PT Pertamina Hulu Energi Oses; KNOC Sumatra Ltd.; Salamander Energy Sumatra BV.; Fortuna Resources (Sunda) Ltd.; Talisman UK (Southeast Sumatra) Ltd.; dan/and Talisman Resources (Bahamas) Ltd.
 b) Pertamina Hulu Energi ONWJ Ltd.; Itochu Oil Exploration Co. Ltd.; Orchard Energy Java BV.; Inpex Jawa Ltd.; CNOOC ONWJ Ltd.; dan/and Talisman Resources (North West Java) Ltd.
 c) PT Pertamina Hulu Energi Jambi Merang; Talisman (Jambi Merang) Ltd.; dan/and Pacific Oil & Gas (Jambi Merang) Ltd.
 d) Santos (Sampang) Pty Ltd.; Singapore Petroleum Sampang Ltd. (formerly Coastal Indonesia Sampang Ltd.); dan/and Cud Sampang Pty Ltd.
 e) Dalam jumlah penuh/In full amount
 *) Sedang dalam proses amandemen/Still on amendment process

Harga pembelian gas pipa pada titik penyerahan berkisar antara US\$ 3,09 sampai dengan US\$ 10,28 per *million British Thermal Units* (MMBTU) dan *Liquid Natural Gas* ("LNG") antara US\$ 7,17 sampai dengan US\$ 10,61 per MMBTU.

Gas pipe purchase price at point of delivery ranges from US\$ 3.09 to US\$ 10.28 per million British Thermal Units (MMBTU) and the price of Liquid Natural Gas ("LNG") ranges from US\$ 7.17 to US\$ 10.61 per MMBTU.

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54. IKATAN DAN KONTINJENSI (lanjutan)

**a. Perjanjian pengadaan bahan bakar
(lanjutan)**

i. Gas (lanjutan)

Pada tanggal 25 September 2008, Perusahaan dengan PT Perusahaan Gas Negara (Persero) Tbk (PGN) mengadakan perjanjian jual beli dan penyaluran gas untuk PLTGU Cilegon untuk jangka waktu 10 tahun yang dimulai sejak Maret 2009 sampai dengan Pebruari 2019. Penyaluran gas untuk periode bulan pertama adalah sebesar 36,36 billion British Thermal Units (BBTU) per hari, sedangkan untuk periode selanjutnya sampai dengan lima tahun sebesar 27,27 BBTU per hari. Untuk periode selanjutnya sampai berakhirnya perjanjian, pemakaian maksimum dan minimum gas akan disesuaikan dengan ketersediaan gas PGN. Pada tanggal 27 Oktober 2015, Perusahaan dan PGN menandatangani Kesepakatan Bersama pemakaian gas *interruptible* untuk PLTGU Cilegon sebesar maksimal 10 BBTU per hari.

Perusahaan memperoleh fasilitas *stand-by letter of credit* (SBLC) maksimum sebesar US\$ 39,9 juta dari Bank Negara Indonesia, berjangka waktu 13 tahun sampai dengan 31 Desember 2016 untuk menjamin kewajiban pembayaran pembelian gas untuk Sektor Muara Karang - Priok.

PLN Batam mengadakan perjanjian kerjasama dengan PGN untuk mengadakan gas alam. Perjanjian ini berlaku untuk jangka waktu 15 tahun dengan jumlah volume gas sebesar 72.270 BBTU, sejak gas pertama disalurkan ke titik penyerahan, yaitu tanggal 7 Agustus 2004. Sesuai dengan perjanjian, PLN Batam harus menyerahkan jaminan pembayaran berupa SBLC yang dikeluarkan oleh Bank Mandiri.

PLN Batam juga telah menyerahkan jaminan deposito berjangka masing-masing sebesar Rp 7.880 juta dan Rp 5.502 juta pada tahun 2015 dan 2014 (Catatan 10).

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

a. Fuel supply agreements (continued)

i. Gas (continued)

On September 25, 2008, the Company entered into an agreement with PT Perusahaan Gas Negara (Persero) Tbk (PGN), in relation to buying, selling and channeling of gas for PLTGU Cilegon with a term of 10 years, from March 2009 until February 2019. Gas channeling for the first month is 36.36 billion British Thermal Units (BBTU) per day, while for the succeeding periods until the fifth year the figure is 27.27 BBTU per day. For the remaining succeeding periods until the end of the agreement, the maximum and minimum use of gas will be in accordance with the gas availability of PGN. On October 27, 2015, the Company and PGN signed the Joint Deal of Interruptible gas usage for PLTGU Cilegon with the maximum amount of 10 BBTU per day.

The Company has a stand-by letters of credit (SBLC) facility from Bank Negara Indonesia with the maximum amount of US\$ 39.9 million and a term of 13 years, due on December 31, 2016 to guarantee the payment obligations for the purchase of gas for Muara Karang - Priok Sector.

PLN Batam entered into an agreement with PGN for the supply of natural gas. The agreement is valid for 15 years with total gas volume of 72,270 BBTU, starting from the first time the gas is channeled to the point of delivery, which was on August 7, 2004. In accordance with the agreement, PLN Batam must provide a payment guarantee in the form of an SBLC issued by Bank Mandiri.

PLN Batam also has placed collateral time deposits amounting to Rp 7,880 million and Rp 5,502 million in 2015 and 2014, respectively (Note 10).

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**a. Perjanjian pengadaan bahan bakar
(lanjutan)**

a. Fuel supply agreements (continued)

ii Batubara

ii. Coal

Pemasok/Suppliers	Jumlah metrik ton per tahun/ Quantity per year in metric tons*)	Periode/ Period
<i>Rutin/Regular</i>		
PT Tambang Batubara Bukit Asam Tbk	5.180.000	2013-2022
PT Kaltim Prima Coal	5.000.000	2007-2016
PT Berau Coal	2.500.000	2009-2018
PT Indominco Mandiri	2.100.000	2008-2017
PT Kideco Jaya Agung	1.700.000	2009-2018
PT Adaro Indonesia	1.595.969	2014-2023
PT Oktasan Baruna Persada	750.000	2006-2016
PT Natuna Energi Indonesia	480.000	2006-2017
PT Eksploitasi Energi Indonesia	480.000	2006-2015**)
<i>Kerjasama konsorsium/Consortium</i>		
PT Arutmin Indonesia dan/and PT Darma Henwa	1.501.000	2007-2027
PT Oktasan Baruna Persada dan/and PT Insani Perkasa	540.000	2012-2015**)
PT Prima Multi Mineral dan/and PT Baratama	384.000	2012-2015**)
PT Kasih Industri Indonesia dan/and PT Senamas Energindo Mulia	378.000	2009-2028
<i>Program Percepatan/Fast Track Program</i>		
PT Titan Mining Energy	2.920.000	2007-2027
PT Dwi Guna Laksana	1.675.000	2009-2033
PT Hanson Energy	858.000	2012-2034
<i>Kerjasama konsorsium/Consortium</i>		
PT Arutmin Indonesia dan/and PT Darma Henwa	5.903.000	2007-2027
PT Kasih Industri Indonesia dan/and PT Senamas Energindo Mulia	2.860.000	2007-2027
PT Risna Karya Whardana Mandiri dan/and Rizki Anugrah Pratama	1.185.328	2010-2016
CV Multi Bara Persada dan/and PT Eksploitasi Energi Indonesia	1.179.104	2011-2016
PT Oktasan Baruna Persada dan/and PT Baramega Citra Mulia Persada	1.026.000	2009-2032
PT Golden Great Borneo, PT Oktasan Baruna Persada dan/and PT Buana Eltra	576.000	2011-2016
PT Energi Batubara Lestari dan/and PT Batara Batari Sinergy Nusantara	220.500	2014-2032

*) Dalam jumlah penuh/*In full amount*

**) Sedang dalam proses amandemen/*Still on amendment process*

Harga pembelian batubara berkisar antara Rp 341.867 dan Rp 763.993 per ton yang disesuaikan terhadap nilai kalori, kadar abu, sulfur, air, *Ash Fusion Temperature* (AFT) dan *Hardgrove Grindability Index* (HGI).

The price of coal purchases ranges from Rp 341,867 to Rp 763,993 per ton, which is adjusted against calorific value, ash content, sulphur, water, Ash Fusion Temperature (AFT) and Hardgrove Grindability Index (HGI).

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a. Perjanjian pengadaan bahan bakar (lanjutan)

ii. Batubara (lanjutan)

PLN Batubara mengadakan Perjanjian Kerjasama Operasi Penambangan Batubara dengan beberapa pemasok sebagai berikut:

<u>Pemasok/Suppliers</u>	<u>Lokasi/ Location</u>	<u>Jumlah metrik ton/ Quantity in metric ton^{*)}</u>
PT Tansri Madjid Energi	Muara Enim, Sumatera Selatan/South Sumatera	43.396.322
PT Megapura Prima Industri	Sorong, Papua Barat/West Papua	14.800.000
PT Mahakarya Abadi Prima	Sorolangun, Jambi	11.822.430
PT Bangun Persada Jambi Energi	Sorolangun, Jambi	5.000.000
PT Andhika Yoga Pratama	Sorolangun, Jambi	2.857.143
PT Bima Putra Abadi Citranusa	Lahat, Sumatera Selatan/South Sumatera	1.000.000
PT Awang Sejahtera	Parenggean, Kalimantan Tengah/Central Kalimantan	677.680

iii. Bahan Bakar Minyak

Perusahaan dan Pertamina mengadakan Perjanjian Induk Jual Beli Bahan Bakar Minyak No. 071.PJ/060/DIR/2001 tanggal 8 Oktober 2001. Perjanjian ini telah diaddendum tanggal 16 Mei 2007 dimana Perusahaan dan Pertamina menyepakati antara lain: (i) penggunaan harga bahan bakar bulanan ditetapkan oleh Pertamina untuk periode 1 Januari sampai dengan 30 April 2007 dan harga bahan bakar 109,5% dari *Mean Oil Platts Singapore* (MOPS) ditambah Pajak Pertambahan Nilai untuk periode 1 Mei 2007 sampai dengan 31 Desember 2007; (ii) harga bahan bakar setelah tanggal 31 Desember 2007 akan ditetapkan oleh kedua belah pihak setiap tahun; (iii) jangka waktu pembayaran berikut pengenaan denda keterlambatan pembayaran sebesar tingkat bunga Sertifikat Bank Indonesia bulanan ditambah 1,3%; (iv) efektif mulai 1 Mei 2007, saldo utang yang belum dibayar atas pembelian bahan bakar sampai dengan 30 April 2007 dikenakan bunga sebesar tingkat bunga Sertifikat Bank Indonesia per tahun ditambah 1,3%, sampai diselesaikan dengan menerbitkan obligasi PLN selambat-lambatnya tanggal 31 Agustus 2007; (v) utang kepada Pertamina, termasuk obligasi yang akan diterbitkan maksimum sebesar Rp 18 triliun; dan (vi) perjanjian ini berlaku untuk lima tahun sejak 1 Januari 2007 sampai dengan 31 Desember 2011.

Berdasarkan Surat Kesepakatan Bersama tanggal 16 Mei 2007, PT Sucofindo (Persero) ditunjuk sebagai *independent surveyor*.

54. COMMITMENTS AND CONTINGENCIES (continued)

a. Fuel supply agreements (continued)

ii. Coal (continued)

PLN Batubara entered into a Coal Mining Operation Cooperation Agreement with suppliers as follows:

iii. Fuel

The Company and Pertamina entered into a Fuel Sale and Purchase Agreement No. 071.PJ/060/DIR/2001 dated October 8, 2001. This agreement was amended on May 16, 2007, whereby, the Company and Pertamina agreed among other things: (i) the monthly fuel price to be used for the period January 1 until April 30, 2007 is determined by Pertamina, and the fuel price of 109.5% from Mean Oil Platts Singapore (MOPS) plus Value Added Tax for the period May 1, 2007 until December 31, 2007; (ii) that the fuel price subsequent to December 31, 2007 will be determined by both parties every year; (iii) the terms of payment and penalty charges on late payment with a rate of monthly Certificate of Bank Indonesia plus 1.3%; (iv) effective on May 1, 2007, the unpaid balance of payable for the purchases of fuel until April 30, 2007 will bear interest with a rate per annum of Certificate of Bank Indonesia plus 1.3%, until settled by issuance of PLN bonds, which is no later than August 31, 2007; (v) the maximum payable to Pertamina, includes bonds which will be issued amounting to Rp 18 trillion; and (vi) this agreement is valid for five years from January 1, 2007 until December 31, 2011.

Based on the Joint Deal Letter dated May 16, 2007, PT Sucofindo (Persero) is assigned as an independent surveyor.

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a. Perjanjian pengadaan bahan bakar (lanjutan)

iii. Bahan Bakar Minyak (lanjutan)

Berdasarkan Addendum III Perjanjian Jual Beli Bahan Bakar Minyak tanggal 7 Nopember 2011, Perusahaan dan Pertamina menyepakati dalam tahun 2011 sebagai berikut:

1. High Speed Diesel ("HSD")

- Harga pembelian HSD sampai dengan 2.537.161 kiloliter (kl) di 18 titik penyerahan Pertamina adalah 105% dari MOPS.
- Harga pembelian HSD sampai dengan 480.487 kl di titik penyerahan Pertamina Terminal Transit Manggis adalah 108% dari MOPS.
- Harga pembelian HSD sampai dengan 2.978.360 kl di titik penyerahan di Instalasi Tanjung Priok dan Instalasi Surabaya Group adalah 108,5% dari MOPS.
- Harga pembelian HSD diatas 5.996.008 kl atau yang diserahkan diluar 21 titik penyerahan yang ditetapkan Pertamina adalah 109,5% dari MOPS.

2. Harga pembelian Industrial Diesel Oil ("IDO") sampai dengan 3.933 kl di titik penyerahan di Kilang Plaju adalah 105% dari MOPS dan pembelian diatas 3.933 kl atau yang diserahkan diluar titik penyerahan Kilang Plaju adalah 109,5% dari MOPS.

3. Harga pembelian Marine Fuel Oil ("MFO") sampai dengan 1.193.166 kl di titik penyerahan di Kilang Cilacap adalah 105% dari MOPS dan pembelian diatas 1.193.166 kl atau yang diserahkan diluar titik penyerahan di Kilang Cilacap adalah 109,5% dari MOPS.

4. Memperpanjang Perjanjian Jual Beli Bahan Bakar Minyak efektif sampai dengan tahun 2015.

Tahun 2013, Perusahaan dan Pertamina sepakat untuk menggunakan harga tahun 2011, karena amandemen Perjanjian Jual Beli Bahan Bakar Minyak belum diselesaikan.

54. COMMITMENTS AND CONTINGENCIES (continued)

a. Fuel supply agreements (continued)

iii. Fuel (continued)

Based on Amendment III of the Fuel Sale and Purchase Agreement dated November 7, 2011, the Company and Pertamina agreed in 2011 on the following:

1. High Speed Diesel ("HSD")

- *The price of HSD for the purchase of up to 2,537,161 kiloliters (kl) from 18 supply points of Pertamina is 105% from MOPS.*
- *The price of HSD for the purchase of up to 480,487 kl from supply points of Pertamina Terminal Transit Manggis is 108% from MOPS.*
- *The price of HSD for the purchase of up to 2,978,360 kl from the supply points at Instalasi Tanjung Priok and Instalasi Surabaya Group is 108.5% from MOPS.*
- *The price of HSD in excess of 5,996,008 kl or supplied from supply points other than the 21 supply points specified by Pertamina is 109.5% from MOPS.*

2. The price of Industrial Diesel Oil ("IDO") for purchases of up to 3,933 kl from the supply point at Kilang Plaju is 105% from MOPS and for purchases in excess of 3,933 kl or supplied from supply points other than supply point Kilang Plaju is 109.5% from MOPS.

3. The price of Marine Fuel Oil ("MFO") for purchases of up to 1,193,166 kl from the supply point at Kilang Cilacap is 105% from MOPS and for purchases in excess of 1,193,166 kl or supplied from a supply point other than the supply point at Kilang Cilacap is 109.5% from MOPS.

4. The Fuel Sale and Purchase Agreement was amended to be effective until the year 2015.

In 2013, the Company and Pertamina agreed to use the 2011 price, since the Fuel Sale Purchase Agreement amendment has not been completed yet.

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a. Perjanjian pengadaan bahan bakar (lanjutan)

iii. Bahan Bakar Minyak (lanjutan)

Berdasarkan surat Menteri Keuangan Republik Indonesia No. S-74/MK.02/2015 kepada Menteri Energi dan Sumber Daya Mineral mengenai rekomendasi penetapan harga jual beli HSD dan MFO antara Perusahaan dan Pertamina tahun 2014 tanggal 30 Januari 2015, pokok-pokok kesepakatan antara Pertamina dan Perusahaan antara lain:

- a. Harga jual tahun 2014 menggunakan harga berdasarkan evaluasi Badan Pengawas Keuangan dan Pembangunan sebesar HSD: MOPS + 9,19% dan MFO: MOPS + 11,94%;
- b. Dalam rangka efisiensi biaya pembelian di tahun 2015, Perusahaan diperkenankan untuk mencari sumber BBM selain Pertamina, dengan tetap menjaga keamanan pasokan BBM.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2014 berdasarkan harga tersebut.

Dalam rangka penyelesaian harga jual Bahan Bakar Minyak ("BBM") (HSD dan MFO) Pertamina kepada Perusahaan, telah dilakukan pembahasan harga jual beli bahan bakar minyak (HSD dan MFO) antara Pertamina dan Perusahaan tahun 2015 di Kantor Kementerian Badan Usaha Milik Negara, difasilitasi oleh Deputy Bidang Usaha Energi, Logistik, Kawasan dan Pariwisata Kementerian BUMN, untuk menentukan harga transaksi BBM di tahun 2015.

Berdasarkan Berita Acara Kesepakatan Harga Jual Beli Bahan Bakar Minyak (HSD dan MFO) antara Pertamina dan Perusahaan tanggal 9 Pebruari 2016 dengan hasil sebagai berikut:

- a. Harga transaksi HSD tahun 2015:
 - Januari sampai dengan September 2015 adalah 107% dari MOPS
 - Oktober sampai dengan Desember 2015 adalah 105% dari MOPS
- b. Harga transaksi MFO tahun 2015 adalah 109,5% dari MOPS.

Perusahaan telah mencatat pembelian HSD dan MFO tahun 2015 berdasarkan harga tersebut.

54. COMMITMENTS AND CONTINGENCIES (continued)

a. Fuel supply agreements (continued)

iii. Fuel (continued)

Based on the Minister of Finance of the Republic of Indonesia's letter No. S-74/MK.02/2015 to Minister of Energy and Mineral Resources regarding its recommendation on the sale and purchase price of HSD and MFO between the Company and Pertamina for 2014 dated January 30, 2015, the terms of the agreement between Pertamina and the Company are:

- a. *The sales price for 2014 uses the price based on the review of the Board of Finance and Development Supervision as follows: for HSD: MOPS + 9.19% and for MFO: MOPS + 11.94%;*
- b. *For the efficiency of purchase cost in 2015, the Company is allowed to acquire from other sources of fuel than Pertamina, whilst maintaining security of fuel supply.*

The Company has recorded purchases of HSD and MFO for the year 2014 based on those prices.

In settlement of the fuel sales price of Pertamina's fuel ("BBM") (HSD and MFO) to the Company, has conducted discussions on selling price of fuel (HSD and MFO) between Pertamina and the Company in 2015 in the Minister of State Owned Enterprises office, facilitated by a deputy in energy business logistics and tourism, to determine the selling price of fuel in 2015.

Based on the Sales and Purchase Price Agreement for Fuel (HSD and MFO) between Pertamina and the Company dated on February 9, 2016 the results are:

- a. *HSD transaction price for 2015:*
 - *January until September 2015 is 107% from MOPS*
 - *October until December 2015 is 105% from MOPS*
- b. *MFO transaction price for 2015 is 109.5% from MOPS.*

The Company has recorded purchases of HSD and MFO for the year 2015 based on those prices.

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a. Perjanjian pengadaan bahan bakar (lanjutan)

iii. Bahan Bakar Minyak (lanjutan)

Pada tanggal 31 Desember 2015 dan 2014, estimasi liabilitas bunga dan denda atas utang pembelian bahan bakar kepada Pertamina masing-masing Rp 18.572 juta dan Rp 18.572 juta yang dicatat sebagai biaya masih harus dibayar (Catatan 33).

Pada tanggal 21 Pebruari 2013, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 3 September 2014, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 14 Juli 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit Belawan sebanyak 750.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 25 Oktober 2013, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Bangka Belitung sebanyak 120.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 14 Juli 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Bangka Belitung sebanyak 120.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 1 Nopember 2013, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT Kutilang Paksi Mas untuk Pembangkit di Tanjung Batu dan Loa Raya sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

54. COMMITMENTS AND CONTINGENCIES (continued)

a. Fuel supply agreements (continued)

iii. Fuel (continued)

As of December 31, 2015 and 2014, estimated liabilities on interest and penalties for payable on purchases of fuel from Pertamina amounted to Rp 18,572 million and Rp 18,572 million, respectively, which are recorded as accrued expenses (Note 33).

On February 21, 2013, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

On September 3, 2014, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

On July 14, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Belawan Power Plant for 750,000 kl for three years or fulfillment of total volume, whichever is the first.

On October 25, 2013, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Bangka Belitung for 120,000 kl for three years or fulfillment of total volume, whichever is the first.

On July 14, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Bangka Belitung for 120,000 kl for three years or fulfillment of total volume, whichever is the first.

On November 1, 2013, the Company entered into a Sale and Purchase Agreement of HSD with PT Kutilang Paksi Mas for Power Plant in Tanjung Batu and Loa Raya for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

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a. Perjanjian pengadaan bahan bakar (lanjutan)

iii. Bahan Bakar Minyak (lanjutan)

Pada tanggal 15 April 2014, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT AKR Corporindo, Tbk untuk Lokasi Pembangkit Listrik Sei Raya, Siantan, Sanggau (Menyurai dan Semboja), dan Ketapang (Sukaharja) sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

Pada tanggal 23 Pebruari 2016, Perusahaan menandatangani Perjanjian Jual Beli HSD dengan PT AKR Corporindo, Tbk untuk Lokasi Pembangkit Listrik Sei Raya, Siantan, Sanggau (Menyurai dan Semboja), dan Ketapang (Sukaharja) sebanyak 450.000 kl selama tiga tahun atau pemenuhan total volume, yang mana terlebih dahulu.

iv. Uap Panas Bumi

Perusahaan memiliki perjanjian dengan Pertamina Geothermal Energy untuk pengadaan uap panas bumi untuk daerah Kamojang selama 25 tahun yang berakhir tahun 2037, dan untuk daerah Gunung Salak dan Darajat selama 30 tahun yang berakhir tahun 2030, serta untuk PLN Lahendong selama 30 tahun yang berakhir tahun 2038.

Pada tanggal 17 Pebruari 2010, Perusahaan dan entitas anak dan Pertamina mengadakan perjanjian untuk pengadaan uap panas bumi, untuk Ulubelu selama 30 tahun.

b. Perjanjian Jual Beli Tenaga Listrik dan Kontrak Penjualan Energi

Sebelum tahun 1997, Perusahaan mengadakan Perjanjian Jual Beli Tenaga Listrik (PPA) dan Kontrak Penjualan Energi (ESC) dengan penyedia dan pengembang tenaga listrik swasta (IPP) skala besar. Pada tahun 1999, Perusahaan telah melaksanakan renegotiasi terhadap PPA dan ESC melalui Kelompok Kerja Renegosiasi Kontrak Khusus PLN dibawah arahan Pemerintah. Renegosiasi tersebut meliputi antara lain keseimbangan kondisi kontrak, kewajaran harga dan disparitas harga jual listrik swasta dan harga jual Perusahaan.

Dalam perjanjian dengan IPP tertentu, disepakati bahwa setiap saat selama perjanjian berlaku, Perusahaan dan entitas anak dapat melaksanakan opsi untuk membeli hak penjualan, milik, dan kepentingan atas proyek yang bersangkutan.

54. COMMITMENTS AND CONTINGENCIES (continued)

a. Fuel supply agreements (continued)

iii. Fuel (continued)

On April 15, 2014, the Company entered into a Sale and Purchase Agreement of HSD with PT AKR Corporindo, Tbk Power Plant Location in Sei Raya, Siantan, Sanggau (Menyurai and Semboja), and Ketapang (Sukaharja) for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

On February 23, 2016, the Company entered into a Sale and Purchase Agreement of HSD with PT AKR Corporindo, Tbk Power Plant Location in Sei Raya, Siantan, Sanggau (Menyurai and Semboja) and Ketapang (Sukaharja) for 450,000 kl for three years or fulfillment of total volume, whichever is the first.

iv. Geothermal Heat

The Company has a geothermal heat procurement agreement with Pertamina Geothermal Energy for Kamojang area for 25 years until 2037, for Gunung Salak and Darajat area for 30 years until 2030 and for PLN Lahendong for 30 years until 2038.

On February 17, 2010, the Company and its subsidiaries and Pertamina entered into an geothermal heat procurement agreement for Ulubelu for 30 years.

b. Power Purchase Agreements and Energy Sales Contract

Prior to 1997, the Company entered into Power Purchase Agreement (PPA) and Energy Sales Contract (ESC) with large-scale IPPs. In 1999, the Company entered into renegotiation of the PPA and ESC through a Working Group on PLN Special Contract Renegotiation under the direction of the Government. Such renegotiation includes, among other subjects, equalization in contract conditions, reasonableness of price and disparity of selling price between the IPP and the Company.

Based on the agreements with certain IPPs, the Company and its subsidiaries may exercise its option to purchase all of the IPP's rights, title and interest in the projects at any time during the contract period.

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**b. Perjanjian Jual Beli Tenaga Listrik dan
Kontrak Penjualan Energi (lanjutan)**

**b. Power Purchase Agreements and Energy
Sales Contract (continued)**

Pada tanggal 31 Desember 2015, perjanjian signifikan antara Perusahaan dan entitas anak dengan IPP adalah sebagai berikut:

As of December 31, 2015, the significant agreements between the Company and its subsidiaries with IPPs are as follows:

i. Sudah Beroperasi

i. In Operations

No.	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Tanggal operasi komersial/ Commercial operation date
1.	PT Energi Sengkang	Sengkang, Sulawesi Selatan/ South Sulawesi	Gas	315	85	1999-2022	1 Maret 1999/ March 1, 1999
2.	Dayabumi Salak Pratama Ltd	Salak, Jawa Barat/West Java	Panas bumi/ Geothermal	165	90	2000-2040	1 Desember 2000/ December 1, 2000
3.	PT Makassar Power	Pare-pare, Sulawesi Selatan/ South Sulawesi	MFO	62,2	80	1998-2016	1 Mei 1998/ May 1, 1998
4.	PT Paiton Energy	Paiton I, Jawa Timur/East Java	Batubara/Coal	1.230	85	1999-2039	1 Juli 2000/ July 1, 2000
5.	PT Jawa Power	Paiton II, Jawa Timur/East Java	Batubara/Coal	1.220	83	2000-2030	1 Nopember 2000/ November 1, 2000
6.	Pertamina, Chevron Drajat Ltd	Drajat, Jawa Barat/West Java	Panas bumi/ Geothermal	200	95	2000-2030	1 Februari 2000/ February 1, 2000 1 Agustus 2007/ August 1, 2007
7.	PT Pertamina Geothermal Energy & Star Energy Geothermal Ltd	Wayang Windu, Jawa Barat/ West Java	Panas bumi/ Geothermal	220	90	2000-2039	1 Juni 2000/ June 1, 2000
8.	PT Asrigita Prasarana	Palembang Timur, Sumatera Selatan/South Sumatera	Gas	150	85	2004-2024	1 September 2004/ September 1, 2004
9.	PT Sumber Segara Primadaya	Cilacap, Jawa Tengah/Central Java	Batubara/Coal	562	80	2007-2037	1 Februari 2007/ February 1, 2007
10.	PT Dalle Energy Batam	Panaran, Pulau Batam/Batam Island	Gas	85,5	90	2005-2025	1 Desember 2005/ December 1, 2005
11.	PT Mitra Energi Batam	Panaran, Pulau Batam/Batam Island	Gas	55,5	84	2005-2034	29 Oktober 2004/ October 29, 2004
				26,6	-	2014-2034	1 September 2014/ September 1, 2014
12.	PT Indo Matra Power	Kawasan Industri Kabil, Pulau Batam/Batam Island	Gas	17,4	80	2005-2018	11 September 2005/ September 11, 2005 1 April 2006/ April 1, 2006
13.	PT Metaepsi Pejebe Power Generation	Gunung Megang, Sumatera Selatan/ South Sumatera	Gas	110	80	2007-2027	10 Nopember 2007/ November 10, 2007
14.	PT Pusaka Jaya Palu Power	Palu, Sulawesi Tengah/ Central Sulawesi	Batubara/Coal	27	80	2007-2032	1 Nopember 2007/ November 1, 2007
Jumlah dipindahkan/Balance carryforward				4.446,2			

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**b. Perjanjian Jual Beli Tenaga Listrik dan
Kontrak Penjualan Energi (lanjutan)**

**b. Power Purchase Agreements and Energy
Sales Contract (continued)**

i. Sudah Beroperasi (lanjutan)

i. In Operations (continued)

No.	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Tanggal operasi komersial/ Commercial operation date
Jumlah dipindahkan/Balance carryforward				4.446,2			
15.	PT Pertamina Geothermal Energi	Kamojang Unit IV, Jawa Barat/ West Java	Panas bumi/Geothermal	60	80	2008-2038	26 Januari 2008/ January 26, 2008
16.	PT Cahaya Fajar Kaltim	Embalut, Kalimantan Timur/ East Kalimantan	Batubara/Coal	45	83	2008-2038	20 Desember 2008/ December 20, 2008
17.	PT Dizamatra Powerindo	Sebayak, Sumatera Utara/ North Sumatera	Panas bumi/Geothermal	12	80	2008-2038	1 Agustus 2008/ August 1, 2008
18.	PT Bajradaya Sentranusa	Asahan, Sumatera Utara/ North Sumatera	Tenaga air/Hydro	180	1.175 GWh/th	2011-2040	18 Januari 2011/ January 18, 2011
19.	PT Cipta Daya Nusantara	Mobuya, Sulawesi Utara/ North Sulawesi	Tenaga air/Hydro	3	80	2007-2027	31 Juli 2007/ July 31, 2007
20.	PT Fajar Futura Energi Luwu	Ranteballa, Luwu, Sulawesi Selatan/ South Sulawesi	Tenaga air/Hydro	2,4	-	2010-2035	1 Mei 2010/ May 1, 2010
21.	PT Sulawesi Mini Hydro Power	Tangka, Sinjai, Sulawesi Selatan/ South Sulawesi	Tenaga air/Hydro	10	-	2011-2036	1 Februari 2011/ February 1, 2011
22.	PT GH EMM Indonesia	Simpang Belimbing, Muara Enim, Sumatera Selatan/ South Sumatera	Batubara/Coal	227	80	2011-2041	27 Februari 2013/ February 27, 2013
23.	PT Eksploitasi Energi Indonesia	Pangkalan Bun, Kalimantan Selatan/ South Kalimantan	Batubara/Coal	11	80	2011-2036	14 Oktober 2011/ October 14, 2011
24.	PT Paiton Energy	Paiton III, Jawa Timur/East Java	Batubara/Coal	815	85	2012-2042	18 Maret 2012/ March 18, 2012
25.	PT Cirebon Electric Power	Cirebon, Jawa Barat/West Java	Batubara/Coal	660	80	2012-2042	27 Juli 2012/ July 27, 2012
26.	PT Bosowa Energi	Jenepono, Sulawesi Selatan/ South Sulawesi	Batubara/Coal	200	80	2012-2042	1 Agustus 2012/ August 1, 2012
27.	PT TJK Power	Tanjung Kasam, Pulau Batam/ Batam Island	Batubara/Coal	110	85	2012-2042	25 Oktober 2012/ October 25, 2012 1 Nopember 2012/ November 1, 2012
28.	PT Humbahas Bumi Energi	Hutaraja, Sumatera Utara/ North Sumatera	Tenaga air/Hydro	5	65	2012-2037	10 Mei 2012/ May 10, 2012
29.	Joint Operation PT Wijaya Karya (Persero) Tbk - PT Mirindo Padu Kencana	Pesanggaran, Bali	Diesel	50	85	2009-2017	1 Maret 2011/ March 1, 2011
30.	Konsorsium/Consortium PT Wijaya Karya (Persero) Tbk - PT Navigat Energy	Borang, Sumatera Selatan/ South Sumatera	Gas	67	80	2012-2019	29 Juni 2012/ June 29, 2012
31.	Konsorsium/Consortium PT Modaco Energy, PT Elektrindo Perkasa Utama, Pratt & Whitney Ps. Inc., Renewable Energy Power International	Payo Selincah, Jambi	Gas	94	60	2012-2019	8 Juni 2012/ June 8, 2012
32.	PT Bekasi Power	Bekasi, Jawa Barat/ West Java	Gas	118,8	80	2013-2032	5 Januari 2013/ January 5, 2013
33.	PT Muba Daya Pratama Konsorsium/Consortium PT PP (Persero) Tbk, PT Bangun Energy Resources, PT Navigat Energy, PT SNC Lavalin TPS General Electric	Talang Duku, Jambi	Gas	56,6	60	2013-2019	11 Januari 2007/ January 11, 2007
34.	PT Poso Energy	Poso, Sulawesi Tengah/ Central Sulawesi	Tenaga air/Hydro	195	845,52 GWh/th	2012-2042	30 Desember 2012/ December 30, 2012
Jumlah dipindahkan/Balance carryforward				7.368			

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**54. COMMITMENTS AND CONTINGENCIES
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**b. Perjanjian Jual Beli Tenaga Listrik dan
Kontrak Penjualan Energi (lanjutan)**

**b. Power Purchase Agreements and Energy
Sales Contract (continued)**

i. Sudah Beroperasi (lanjutan)

i. In Operations (continued)

No.	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{d)}	Tanggal operasi komersial/ Commercial operation date
Jumlah dipindahkan/Balance carryforward				7.368			
35.	PT Cahaya Fajar Kaltim	Embalut Unit 3, Kalimantan Timur/ East Borneo	Batubara/Coal	50	87	2014-2039	5 September 2014/ September 5, 2014
36.	PT Geo Dipa Energi	Patuha Unit I, Jawa Barat/ West Java	Panas bumi/Geothermal	55	89	2014-2044	22 September 2014/ September 22, 2014
37.	PT Tenaga Listrik Gorontalo	Molotabu, Gorontalo	Batubara/Coal	21	80	2014-2039	13 September 2014/ September 13, 2014
38.	PT Sepoeth Daya Prima	Lampung Tengah, Lampung	Batubara/Coal	12	80	2014-2039	2 Mei 2014/ May 2, 2014
39.	PT Bakti Nugroho Yuda Energy	Baturaja, Sumatera Selatan/ South Sumatera	Batubara/Coal	20	80	2014-2039	18 Januari 2014/ January 18, 2014
40.	PT Bukit Pembangkit Innovative	Banjarsari, Lahat, Sumatera Selatan/ South Sumatera	Batubara/Coal	200	80	2015-2045	29 Mei 2015/ May 29, 2015
41.	PT General Energy Bali	Celukan Bawang, Bali	Batubara/Coal	380	85	2015-2045	18 Juni 2015/ June 18, 2015
42.	PT Harmoni Energy Indonesia	Buton, Sulawesi Selatan/ South Sulawesi	Batubara/Coal	14	80	2015-2040	29 Oktober 2015/ October 29, 2015
43.	PT Kartanegara Energi Perkasa	Senipah, Kalimantan Timur/ East Borneo	Gas	82	85	2015-2040	16 Maret 2015/ March 16, 2015
44.	PT Priamanaya Power Energi	Keban Agung, Lahat, Sumatera Selatan/ South Sumatera	Batubara/Coal	120	80	2015-2046	11 Nopember 2015/ November 11, 2015
45.	PT Pertamina Geothermal Energy	Kamojang V, Jawa Barat/ West Java	Panas bumi/Geothermal	30	90	2015-2045	29 Juni 2015/ June 29, 2015
46.	PT Cikarang Listrindo	Cikarang, Jawa Barat/ West Java	Gas	300	72	1996-2031	1 Desember 1998/ December 1, 1998
47.	Perum Jasa Tirta	Purwakarta, Jawa Barat/ West Java	Tenaga air/Hydro	180	-	2012-2016	1 Agustus 2006/ August 1, 2006
48.	PT Geo Dipa Energi	Dieng Unit I, Jawa Tengah/ Central Java October 1, 2002	Panas bumi/Geothermal	60	85	2002-2044	1 Oktober 2002/
Jumlah/Total				<u>8.892</u>			

Selain dari perjanjian jual beli tenaga listrik di atas, Perusahaan dan entitas anak juga memiliki beberapa perjanjian sewa yang termasuk dalam kategori sewa operasi. Berikut ini adalah komitmen sewa operasi:

In addition to the above power purchase agreements, the Company and its subsidiaries also entered into rental agreements that falls into the category of operating leases. The followings are commitments for operating leases:

	<u>2015</u>	<u>2014</u>	
Pembayaran jatuh tempo dalam waktu:			<i>Minimum lease payments due:</i>
Tidak lebih dari satu tahun	106.249	121.319	<i>No later than one year</i>
Antara lebih dari satu tahun sampai dua tahun	-	97.720	<i>Later than one year and no later than two years</i>
Jumlah pembayaran minimum sewa	<u>106.249</u>	<u>219.039</u>	<i>Total minimum lease payments</i>
	<u>2015</u>	<u>2014</u>	
Rincian pembayaran sewa minimum berdasarkan lessor:			<i>Details of the minimum lease payment by lessor:</i>
Perum Jasa Tirta	97.720	192.594	<i>Perum Jasa Tirta</i>
PT Dalle Energy Batam	8.529	11.609	<i>PT Dalle Energy Batam</i>
PLTMG Jembo	-	14.836	<i>PLTMG Jembo</i>
Jumlah	<u>106.249</u>	<u>219.039</u>	<i>Total</i>

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**b. Perjanjian Jual Beli Tenaga Listrik dan
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**b. Power Purchase Agreements and Energy
Sales Contract (continued)**

**ii. Belum Beroperasi (Dalam Tahap
Pengembangan)**

ii. Not Yet in Operation (Development Stage)

No.	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Status/ Status
1.	PT Bhimasena Power Indonesia	Batang, Jawa Tengah/ Central Java	Batubara/Coal	1.900	86	2020-2050	Tahap Pembiayaan/ Financing Stage
2.	PT Huadian Bukit Asam Power	Sumsel-8, Sumatera Selatan/ South Sumatera	Batubara/Coal	1.200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
3.	PT Lestari Banten Energi	Cilegon, Banten	Batubara/Coal	660	80	2017-2042	Tahap Pembangunan/ Construction Stage
4.	PT Sumber Segara Primadaya	Cilacap, Jawa Tengah/ Central Java	Batubara/Coal	1.000	86	2018-2048	Tahap Pembiayaan/ Financing Stage
5.	PT Pertamina Geothermal Energy and Sarulla Operations Ltd.	Sarulla, Sumatera Utara/ North Sumatera	Panas Bumi/ Geothermal	330	90	2017-2047	Tahap Pembangunan/ Construction Stage
6.	PT DSSP Power Sumsel	Sumsel-5, Banyuasin, Sumatera Selatan/ South Sumatera	Batubara/Coal	300	80	2016-2041	Tahap Pembangunan/ Construction Stage
7.	PT Sorik Marapi Geothermal Energy	PLTP Sorik Marapi, Sumatera Utara/North Sumatera	Panas Bumi/ Geothermal	240	90	2020-2050	Power Purchase Agreement
8.	PT Pertamina Geothermal Energy	PLTP Lumut Balai, Sumatera Selatan/ South Sumatera	Panas Bumi/ Geothermal	220	90	2017-2047	Tahap Pembangunan/ Construction Stage
9.	PT Supreme Energy Rajabasa	PLTP Rajabasa, Lampung	Panas Bumi/ Geothermal	220	90	2023-2053	Tahap Ekplorasi/ Exploration Stage
10.	PT Supreme Energy Muara Laboh	PLTP Muara Laboh, Sumatera Barat/ West Sumatera	Panas Bumi/ Geothermal	220	90	2019-2049	Tahap Ekplorasi/ Exploration Stage
11.	PT Supreme Energy Rantau Dedap	PLTP Rantau Dedap, Sumatera Selatan/South Sumatera	Panas Bumi/ Geothermal	220	90	2020-2050	Tahap Ekplorasi/ Exploration Stage
12.	PT Sejahtera Alam Energy	PLTP Baturaden, Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	220	90	2024-2054	Power Purchase Agreement
13.	PT Graha Power Kaltim	Kalimantan Timur/ East Borneo	Batubara/Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
14.	PT Tanjung Power Indonesia	Kalimantan Selatan/ South Borneo	Batubara/Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
15.	PT SKS Listrik Kalimantan	Gunung Mas, Kalimantan Tengah/Central Borneo	Batubara/Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
16.	PT Pertamina Geothermal Energy	Ulubelu #4, Lampung	Panas Bumi/ Geothermal	55	90	2017-2047	Tahap Pembangunan/ Construction Stage
17.	PT Medco Cahaya Geothermal	PLTP Ijen, Jawa Timur/ East Java	Panas Bumi/ Geothermal	110	85	2021-2051	Tahap Ekplorasi/ Exploration Stage
18.	PT Sintesa Banten Geothermal	PLTP Rawa Dano, Serang, Banten	Panas Bumi/ Geothermal	110	90	2022-2052	Power Purchase Agreement
19.	PT Bakrie Darmakarya Energi	PLTP Telaga Ngebel, Jawa Timur/East Java	Panas Bumi/ Geothermal	165	90	2023-2053	Power Purchase Agreement
20.	PT Tanggamus Electric Power	PLTA Semangka	Tenaga air/Hydro	56	57	2019-2049	Tahap Pembiayaan/ Financing Stage
21.	PT Geo Dipa Energi	Dieng #2-3, Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	115	85	2021-2051	Tahap Pembiayaan/ Financing Stage
22.	PT Indo Ridlatama Power	Kutai, Kartanegara, Kalimantan Timur/ East Borneo	Batubara/Coal	55	80	2017-2047	Tahap Pembangunan/ Construction Stage
23.	PT Giri Indah Sejahtera	PLTP Ungaran, Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	55	85	2024-2054	Tahap Ekplorasi/ Exploration Stage
24.	Spring Energi Sentosa	PLTP Guci, Jawa Tengah/ Central Java	Panas Bumi/ Geothermal	55	90	2024-2054	Power Purchase Agreement
25.	PT Rekind Daya Mamuju	Mamuju, Sulawesi Barat/ West Sulawesi	Batubara/Coal	50	80	2017-2042	Tahap Pembiayaan/ Financing Stage
26.	PT Lombok Energy Dynamics	Lombok Timur, Nusa Tenggara Barat/West Nusa Tenggara	Batubara/Coal	50	80	2016-2041	Tahap Pembiayaan/ Financing Stage
Jumlah dipindahkan/Balance carryforward				<u>8.206</u>			

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**54. COMMITMENTS AND CONTINGENCIES
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**b. Power Purchase Agreements and Energy
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**ii. Belum Beroperasi (Dalam Tahap
Pengembangan) (lanjutan)**

**ii. Not Yet in Operation (Development Stage)
(continued)**

No.	Perusahaan/Company	Proyek/Project	Bahan bakar/ Fuel	Kapasitas/ Capacity (MW)	AF ^{b)} (%)	Periode/ Period ^{a)}	Status/ Status
	Jumlah dipindahkan/Balance carryforward			8.206			
27.	PT Jabar Rekind Geothermal	PLTP Cisolok, Cisukarame, Jawa Barat/West Java	Panas Bumi/ Geothermal	45	90	2025-2055	Tahap Pembiayaan/ Financing Stage
28.	PT Bosowa Energy	Jeneponto, Sulawesi Selatan/ South Sulawesi	Batubara/Coal	250	80	2018-2048	Tahap Pembiayaan/ Financing Stage
29.	PT UPC Yogyakarta Bayu Energi	PLTBayu Samas, Yogyakarta	Angin/Wind	50	-	2019-2049	Tahap Pembiayaan/ Financing Stage
30.	PT UPC Sidrap Bayu Energi	PLTBayu Sidrap, Sulawesi Selatan/ South Sulawesi	Angin/Wind	70	-	2019-2049	Tahap Pembiayaan/ Financing Stage
31.	PT Cirebon Energi Prasarana	Cirebon, Jawa Barat/West Java	Batubara/Coal	1.000	86	2019-2044	Tahap Pembiayaan/ Financing Stage
32.	PT Sumber Segara Primadaya	Cilacap Ekspansi II, Jawa Tengah/Central Java	Batubara/Coal	614	80	2016-2046	Tahap Pembiayaan/ Financing Stage
33.	PT Tanjung Jati Power Company	Cirebon, Jawa Barat/West Java	Batubara/Coal	1.320	80	2019-2049	Tahap Pembiayaan/ Financing Stage
34.	PT Banyuasin Power Energy	Banyuasin, Sumatera Selatan/ South Sumatera	Batubara/Coal	250	80	2020-2050	Tahap Pembiayaan/ Financing Stage
35.	PT North Sumatera Hydro Energy	PLTA Batang Toru	Tenaga air/Hydro	510	-	2016-2046	Tahap Pembiayaan/ Financing Stage
36.	PT Bhumi Jati Power	Jepara, Jawa Tengah/ Central Java	Batubara/Coal	2.000	86	2019-2044	Tahap Pembiayaan/ Financing Stage
37.	PT DSSP Power Kendari	Konawe, Sulawesi Tenggara/ Southeast Sulawesi	Batubara/Coal	100	80	2019-2044	Tahap Pembiayaan/ Financing Stage
38.	PT Tenaga Listrik Bengkulu	Kampung Melayu, Bengkulu	Batubara/Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
39.	PT Shenhua Guohua Lion Power Indonesia	Muara Enim, Sumatera Selatan/ South Sumatera	Batubara/Coal	600	80	2020-2050	Tahap Pembiayaan/ Financing Stage
40.	PT Muntok Listrik Utama	Bangka, Bangka Belitung	Gas	80	85 (Y1) 60 (Y2)	2019-2039	Tahap Pembiayaan/ Financing Stage
41.	PT GCL Indo Tenaga	Kalimantan Barat/ West Borneo	Batubara/Coal	200	80	2019-2044	Tahap Pembiayaan/ Financing Stage
42.	PT Shenhua Guohua Pembangkitan Jawa Bali	Serang, Banten	Batubara/Coal	2.000	86	2021-2046	Tahap Pembiayaan/ Financing Stage
43.	PT Energi Listrik Batam	Tanjung Uncang, Batam	Gas	70	85	2016-2038	Tahap Pembangunan/ Construction Stage
44.	Lainnya/The Others c)			1.054			
	Jumlah/Total			18.619			
a)	Perjanjian berlaku sejak ditandatangani, dan jual beli tenaga listrik berlaku antara 20 sampai dengan 30 tahun sejak tanggal operasi komersial.		a) The agreements are effective from the date of signing and buying and selling of electricity is valid between 20 to 30 years starting from the commercial operation date.				
b)	AF = Faktor pemasokan tenaga yang harus diserap Perusahaan.		b) AF = Power supply factor which should be absorbed by the Company.				
c)	Meliputi kontrak dengan 126 IPP, terdiri dari 64 IPP dalam tahap pembangunan, 61 IPP dalam tahap pembiayaan, dan 1 IPP dalam tahap eksplorasi, berlokasi di berbagai daerah di Indonesia, menggunakan bahan bakar batu bara, panas bumi dan mini hydro dengan kapasitas masing-masing pembangkit kurang dari 50 MW.		c) Represents contracts with 126 IPPs, consisting of 64 IPPs under construction, 61 IPPs in the financing stage, and 1 IPP in the exploration stage, which are located in several areas of Indonesia and are generated by coal, geothermal and mini hydro with each power plant's capacity of less than 50 MW.				

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54. IKATAN DAN KONTINJENSI (lanjutan)

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

b. Perjanjian Jual Beli Tenaga Listrik dan Kontrak Penjualan Energi (lanjutan)

b. Power Purchase Agreements and Energy Sales Contract (continued)

ii. Belum Beroperasi (Dalam Tahap Pengembangan) (lanjutan)

ii. Not Yet in Operation (Development Stage) (continued)

Harga tenaga listrik per kWh untuk pembangkitan bahan bakar gas, MFO dan batubara ditetapkan berdasarkan formula tertentu yang ditetapkan dalam perjanjian yang antara lain mengatur pemulihan biaya modal, pembayaran biaya tetap operasi dan pemeliharaan, biaya bahan bakar dan pembayaran biaya variabel operasi, dan biaya pemeliharaan. Untuk pembangkitan yang menggunakan panas bumi, harga tenaga listrik ditetapkan berdasarkan formula tertentu sebagaimana dinyatakan dalam perjanjian antara lain *Energy Charge* dan *Capacity Charge*.

The electricity power price per kWh for gas, MFO and coal power plants are determined by certain formulas as stated in the agreement which regulates, among others, capital cost recovery, fixed operation and maintenance cost payment, fuel expense and variable operation, and maintenance cost payment. For geothermal heat power plants, the electricity power price is determined by a certain formula as stated in the agreement, involving, among other things, Energy Charge and Capacity Charge.

c. Perolehan barang modal

c. Capital expenditures

Pada tanggal 31 Desember 2015, jumlah ikatan perolehan barang modal berdasarkan kontrak, terutama sehubungan dengan pengadaan pembangkitan, jaringan transmisi dan distribusi adalah sebagai berikut:

As of December 31, 2015, total commitments on capital expenditures based on contracts, which are related to procurement of power plants, transmissions and distributions are as follows:

	Mata Uang/ <i>Currencies</i>	Jumlah dalam mata uang asing/ <i>Amount in foreign currencies</i>	Setara Rupiah/ <i>Rupiah equivalent</i>	
Program percepatan				<i>Fast track program</i>
Kontrak pembangkitan	US\$	351.292.999	4.846.087	<i>Power plant contracts</i>
	JPY	450.424.400	51.584	
	Rupiah		<u>4.293.896</u>	
			<u>9.191.567</u>	
Kontrak transmisi	Rupiah		<u>227.153</u>	<i>Transmission contracts</i>
			<u>227.153</u>	
Kontrak konstruksi rutin	US\$	459.281.226	6.335.785	<i>Regular construction contracts</i>
	EUR	27.629.137	416.360	
	JPY	26.075.850.283	2.986.316	
	Rupiah		<u>16.750.335</u>	
			<u>26.488.796</u>	

*) Dalam jumlah penuh/*In full amount*

Jumlah diatas adalah diluar dari nilai tersisa pembayaran dimuka yang sudah dibayarkan oleh Perusahaan dan entitas anak sesuai dengan masing-masing kontrak, yang nantinya akan mengurangi pembayaran di masa depan yang dilakukan oleh Perusahaan dan entitas anak.

The above amount excludes the remaining advance payments that have been paid by the Company and its subsidiaries in accordance with the respective contracts, which then will reduce future payments to be made by the Company and its subsidiaries.

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54. IKATAN DAN KONTINJENSI (lanjutan)

c. Perolehan barang modal (lanjutan)

Program Percepatan

Berdasarkan Peraturan Presiden Republik Indonesia No. 71 Tahun 2006 tanggal 5 Juli 2006 yang kemudian diubah melalui Peraturan Presiden Republik Indonesia No. 59 Tahun 2009 tanggal 23 Desember 2009, Pemerintah menugaskan Perusahaan untuk membangun pembangkit listrik tenaga uap (PLTU) berbahan bakar batubara di 42 lokasi di Indonesia, meliputi 10 pembangkit dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 32 pembangkit dengan jumlah kapasitas 2.769 MW di luar Jawa - Bali.

Kontrak Pembangkitan

Pada tanggal 31 Desember 2015, Perusahaan telah menandatangani 37 kontrak EPC meliputi 10 pembangkit tenaga listrik dengan jumlah kapasitas 7.490 MW di Jawa - Bali dan 27 pembangkit tenaga listrik dengan jumlah kapasitas 2.486 MW di luar Jawa - Bali. Berdasarkan kontrak EPC tersebut, Perusahaan diharuskan membayar uang muka sekitar 15% dari nilai kontrak dan 85% akan didanai melalui fasilitas kredit perbankan.

Sampai dengan tanggal 31 Desember 2015, Perusahaan telah membayar uang muka sebesar US\$ 874,65 juta dan Rp 4.790.016 juta untuk 37 kontrak EPC, atau sekitar 15% dari jumlah nilai kontrak, yang dicatat sebagai pekerjaan dalam pelaksanaan (Catatan 6). Uang muka tersebut didanai dari hasil penerbitan Obligasi Terjamin dan penarikan fasilitas kredit program percepatan.

Kontrak Transmisi

Kontrak transmisi merupakan kontrak untuk peningkatan dan pembangunan transmisi baru dan gardu induk di Jawa dan luar Jawa. Proyek ini dibiayai melalui dana sendiri dan penarikan fasilitas kredit perbankan.

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

c. Capital expenditures (continued)

Fast Track Program

Based on the President of the Republic of Indonesia's Regulation No. 71 Year 2006 dated July 5, 2006 which was amended by the President of the Republic of Indonesia's Regulation No. 59 dated December 23, 2009, the Government mandates the Company to build coal-fired power plants (PLTU) at 42 locations in Indonesia, which include 10 power plants with aggregate capacity of 7,490 MW in Java - Bali and 32 power plants with aggregate capacity of 2,769 MW outside Java - Bali.

Power Plant Contracts

As of December 31, 2015, the Company signed 37 EPC contracts which consist of 10 electricity power plants with aggregate capacity of 7,490 MW in Java - Bali and 27 electricity power plants with aggregate capacity of 2,486 MW outside Java - Bali. Under the terms of such contracts, the Company is required to pay the contractor a down payment, which is approximately 15% of the contract price and the remaining 85% will be funded through credit facilities from banks.

Until December 31, 2015, the Company made a total down payment of US\$ 874.65 million and Rp 4,790,016 million for 37 EPC contracts or approximately 15% of the total contract price, which is recorded as construction in progress (Note 6). Such down payments are funded by the proceeds of the issued Guaranteed Notes and withdrawal of credit facilities for the fast track program.

Transmission Contracts

Transmission contracts are contracts for upgrading and constructing new transmission and sub-stations in Java and outside Java. These projects are financed by the Company's own funds and withdrawal of credit facilities from banks.

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54. IKATAN DAN KONTINJENSI (lanjutan)

c. Perolehan barang modal (lanjutan)

Kontrak Konstruksi Rutin

Ikatan pengadaan barang modal untuk konstruksi rutin merupakan kontrak yang telah ditandatangani untuk tambahan pembangkit listrik dan pengembangan jaringan transmisi dan distribusi. Proyek ini dibiayai melalui dana sendiri dan pihak luar melalui pinjaman luar negeri, bantuan dan proyek investasi sebagai bagian dari anggaran belanja negara.

Pada tanggal 31 Desember 2015, PJB mengadakan ikatan/kontrak dengan berbagai pihak untuk pengadaan material dan aset tetap serta jasa borongan dengan berbagai mata uang dengan jumlah setara Rupiah masing-masing sebesar Rp 2.915.117 juta.

d. Fasilitas pinjaman belum digunakan

Penerusan pinjaman

<u>Mata uang</u>	<u>Dalam mata uang asing/ In foreign currencies *)</u>
US\$	1.955.004.323
JPY	100.545.437.412
EUR	16.299.910
Jumlah	

*) Dalam jumlah penuh

Pada tanggal 31 Desember 2015, fasilitas pinjaman belum digunakan setara Rp 24.205.431 juta dikenakan provisi sebesar 0,10% - 0,40% per tahun, sedangkan fasilitas sebesar Rp 14.524.373 juta tidak dikenakan provisi. Fasilitas ini berakhir antara tahun 2016 sampai dengan 2053.

Perjanjian pinjaman program percepatan

Tujuan fasilitas pinjaman ini adalah untuk membiayai 85% dari nilai kontrak EPC untuk program percepatan. Jangka waktu pinjaman termasuk periode penyediaan kredit selama 36 bulan, dan sepenuhnya dijamin oleh Pemerintah Republik Indonesia sesuai dengan Peraturan Presiden Republik Indonesia (PP) No. 91 Tahun 2007, pengganti dari PP No. 86 Tahun 2006, tentang Pemberian Jaminan Pemerintah untuk Percepatan Pembangunan Pembangkit Tenaga Listrik yang Menggunakan Batubara. Sehubungan dengan pinjaman ini, Perusahaan diwajibkan memenuhi batasan-batasan umum.

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

c. Capital expenditures (continued)

Regular Construction Contracts

Capital expenditure commitments for regular construction represent project contracts signed for additional electricity generating plants and development of the transmission and distribution network. These projects are financed by the Company's own funds and other external funding through offshore loans, grants and investment projects from the State budget.

As of December 31, 2015, PJB entered into commitments or contracts with various parties for the supply of materials, property, plant and equipment, and contracted services in various currencies, with the Rupiah equivalent totaling Rp 2,915,117 million.

d. Unused loan facilities

Two-step loans

<u>Ekuivalen Rp/ Rp equivalent</u>	<u>Currency</u>
26.969.285	US\$
11.514.886	JPY
245.633	EUR
38.729.804	Total

*) In full amounts

As of December 31, 2015 the unused facilities equivalent to Rp 24,205,431 million bear a provision charge of 0.10% - 0.40% per annum, while the remaining facilities of Rp 14,524,373 million do not bear any provision charge. These facilities will be due between 2016 and 2053.

Loan agreements for fast track program

The purpose of these loan facilities is to finance 85% of the contract price of EPC for the fast track program. The term of the loan includes preparation of credit for 36 months and is fully guaranteed by the Government of the Republic of Indonesia in accordance with Presidential Regulation of the Republic of Indonesia (PP) No. 91 Year 2007, superseding No. 86 Year 2006, regarding Grant of Government Guarantee for Construction of Coal-Fired Power Plant. In connection with these loans, the Company is obliged to comply with general restrictions.

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54. IKATAN DAN KONTINJENSI (lanjutan)

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**d. Fasilitas pinjaman belum digunakan
(lanjutan)**

d. Unused loan facilities (continued)

Perjanjian pinjaman program percepatan
(lanjutan)

Loan agreements for fast track program
(continued)

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, rincian fasilitas pinjaman untuk membiayai program percepatan adalah sebagai berikut:

As of the date of the issuance of the consolidated financial statements, details of loan facilities to finance the fast track program are as follows:

No	Kreditur dan pembayaran proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility*)	Fasilitas pinjaman belum digunakan/ Unused loan facilities*)	Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance premium*)	Tanggal perjanjian/ Date of agreement	Periode/ Period Tahun/Year
<u>Fasilitas pinjaman dalam US\$/US\$ loan facilities</u>							
1	Asian Development Bank/ Program Penguatan Jaringan Listrik Sumatera/ Electricity Grid Strengthening Sumatera Program	575	575	LIBOR 6 bulanan/ 6 month LIBOR + 0,60% - 0,10%	-	4 Desember 2015/ December 4, 2015	15
2	Asian Development Bank/ Program Penguatan Jaringan Listrik Sumatera/ Electricity Grid Strengthening Sumatera Program	25	25	LIBOR 6 bulanan/ 6 month LIBOR + 1,40%	-	4 Desember 2015/ December 4, 2015	15
Jumlah dalam US\$/Total in US\$		<u>600</u>	<u>600</u>		<u>-</u>		
<u>Fasilitas pinjaman dalam Rupiah/Rupiah loan facilities</u>							
1	Bank DKI/ PLTU Naganraya PLTU 2 Nusa Tenggara Timur/East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/West Nusa Tenggara PLTU Sumatera Barat/West Sumatera PLTU 2 Kalimantan Barat/West Kalimantan PLTU 4 Bangka Belitung PLTU Maluku Utara/North Maluku PLTU Sulawesi Tengah/Central Sulawesi PLTU 1 Nusa Tenggara Timur/East Nusa Tenggara PLTU 2 Sulawesi Utara/North Sulawesi PLTU Gorontalo PLTU 2 Nusa Tenggara Timur/East Nusa Tenggara PLTU 1 Nusa Tenggara Barat/West Nusa Tenggara PLTU 4 Bangka Belitung PLTU 2 Nusa Tenggara Barat/West Nusa Tenggara PLTU 1 Kalimantan Tengah/Central Kalimantan	4.732.000	682.666	JIBOR 3 bulanan/ 3 month JIBOR + 1%	-	24 April 2009/ April 24, 2009	10
2	Bank DKI/ PLTU Riau - Tenayan	2.225.000	225.939	Average JIBOR 3 bulanan/ 3 month Average JIBOR + 1,5%	-	12 Nopember 2015/ November 12, 2015	10
3	Bank Negara Indonesia/ PLTU Teluk Balikpapan Kalimantan	2.449.963	367.056	Average Time Deposit 3 bulanan/3 month + 1,2%	-	17 Desember 2015/ December 17, 2015	10
Jumlah dalam Rupiah/Total in Rupiah		<u>9.406.963</u>	<u>1.275.661</u>		<u>-</u>		
<u>Fasilitas pinjaman dalam EUR\$/EUR loan facilities</u>							
1	Agence Francaise De Development/ Transmission Jakarta	100	100	EURIBOR 6 bulanan/ 6 month EURIBOR + 0,2%	-	7 Mei 2015/ May 7, 2015	15
2	Agence Francaise De Development/ Jakarta's grid low carbon master plan study	1	1	0%	-	7 Mei 2015/ May 7, 2015	5
3	Kreditanstalt fur Wiederaufbau/ Rehabilitation of unit 3x4 of Suralaya Power Plant	175	175	2,2%	-	8 Mei 2015/ May 8, 2015	12
4	Kreditanstalt fur Wiederaufbau/ 1000 Islands Renewable Energy	65	65	2,2%	-	8 Mei 2015/ May 8, 2015	15
5	Kreditanstalt fur Wiederaufbau/ Rehabilitation of PLTG Kamojang	60	60	1,7%	-	8 Mei 2015/ May 8, 2015	15
Jumlah dalam US\$/Total in US\$		<u>401</u>	<u>401</u>		<u>-</u>		

*)Dalam jutaan mata uang asing sesuai masing-masing perjanjian /In million of foreign currency in accordance with each agreements

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

**d. Fasilitas pinjaman belum digunakan
(lanjutan)**

d. Unused loan facilities (continued)

Perjanjian pinjaman program percepatan
(lanjutan)

Loan agreements for fast track program
(continued)

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, rincian fasilitas pinjaman tidak terkait program percepatan adalah sebagai berikut:

As of the date of the issuance of the consolidated financial statements, details of loan facilities non-related to the fast track program are as follows:

No	Kreditur dan pembayaran proyek/ Creditor and project funded	Fasilitas maksimum/ Maximum facility*)	Fasilitas pinjaman belum digunakan/ Unused loan facilities*)	Tingkat bunga per tahun/ Interest rate per annum	Premi Asuransi/ Insurance premium*)	Tanggal perjanjian/ Date of agreement	Periode/ Period Tahun/Year
<i>Fasilitas pinjaman dalam EUR/EUR loan facilities</i>							
1	Standard Chartered Bank/ PLTMG Arun	90	52	2,10%	6	11 Desember 2013/ December 11, 2013	14.5
2	Standard Chartered Bank/ PLTMG Bangkanai	71	17	2,10%	5	23 Desember 2013/ December 23, 2013	14.5
Jumlah dalam EUR/Total in EUR		<u>161</u>	<u>69</u>		<u>11</u>		
<i>Fasilitas pinjaman dalam Rupiah/Rupiah loan facilities</i>							
1	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by PT Bank Rakyat Indonesia Corporate loan KMK 2011	9.000.000	9.000.000	Rata-rata deposito berjangka 3 bulanan/ 3 month average time deposit + 2,02%		8 Juli 2015/ July 8, 2015	1
2	Pinjaman sindikasi dikoordinasi/ Syndicated loan coordinated by PT Bank Rakyat Indonesia Corporate loan 2015	12.000.000	8.500.192	Suku bunga Bank Indonesia/ Bank Indonesia rate + 2.3%		- 17 Desember 2015/ December 17, 2015	10
Jumlah dalam Rupiah/Total in Rupiah		<u>21.000.000</u>	<u>17.500.192</u>				

*) Dalam jutaan mata uang asing sesuai masing-masing perjanjian // In million of foreign currency in accordance with each agreements

e. Program operasi dan pemeliharaan

e. Operation and maintenance programs

Untuk meningkatkan dan memulihkan daya guna unit pembangkit sampai pada level tertentu, Perusahaan menandatangani *Operation and Maintenance Agreement* dengan beberapa kontraktor. Nilai kontrak terdiri dari porsi tetap dan tidak tetap. Kontraktor diharuskan memenuhi target tertentu dan akan dikenakan denda jika target tersebut tidak tercapai. Komitmen dengan kontraktor untuk porsi tetap adalah sebagai berikut:

In order to improve and restore the performance of generator units up to a certain level, the Company has entered into *Operation and Maintenance Agreements* with contractors. The contract payment comprises fixed and variable portions. The contractors have to meet certain targets and will be charged a penalty if these targets are not met. The commitments with the contractors for the fixed portion are as follows:

Pembangkit/ Power plant	Kontraktor/ Contractor	Nilai kontrak/ Contract amount Setara Jutaan Rupiah/ Rupiah equivalent	Periode/ Period
PLTU Tanjung Jati B	PT Komipo Pembangkitan Jawa Bali	2.832.229	2010-2032
PLTU Tanjung Jati B	Konsorsium/consortium of Fortum Service OY & PT Medco Energy	<u>1.298.678</u>	2005-2030
Jumlah/Total		<u><u>4.130.907</u></u>	

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54. IKATAN DAN KONTINJENSI (lanjutan)

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

f. Litigasi

f. Litigation

- (i) Pada tahun 2001, Hendrik Nelwan dan kawan-kawan mengajukan gugatan ganti rugi atas tanah ahli waris yang telah dipergunakan Perusahaan sebagai PLTA Tonsealama sebesar Rp 54 milyar di Pengadilan Negeri Manado. Dalam proses berperkara, mulai dari Tingkat Pertama sampai dengan Tingkat Peninjauan Kembali di Mahkamah Agung Republik Indonesia PT PLN (Persero) kalah. Pada saat akan dilakukan Eksekusi oleh Pengadilan Negeri Manado, PT PLN (Persero) melakukan Gugatan Perlawanan atas Eksekusi (Derden Verzet) terhadap tanah tersebut mengingat PT PLN (Persero) merupakan bezitter yang baik dengan menguasai tanah serta mengoperasikan PLTA Tonsea Lama selama lebih dari 50 tahun.

- (i) In 2001, Hendrik Nelwan and co-claimants filed claims for compensation for the heirs to the land rights that has been utilized by the Company as hydroelectric power plant PLTA Tonsealama, amounting to Rp 54 billion in the District Court of Manado. In the process of court trial from District Court to Reconsideration in the Supreme Court, PT PLN (Persero) lost. In the preparation of Execution by District Court of Manado, PT PLN (Persero) filed a Third Resistance of the Execution (Derden Verzet) of the land rights considering PT PLN (Persero) is a good bezitter that has been effectively controlling and operating PLTA Tonsea Lama for more than 50 years.

Bersamaan dengan proses pemeriksaan di tingkat Kasasi atas perlawanan eksekusi PLN telah melaporkan perbuatan tindak pidana pemalsuan dokumen atas nama Hendrik Nelwan yang digunakan sebagai alat bukti untuk menggugat PLN secara perdata dan sudah diputus di tingkat Kasasi dimana Hendrik Nelwan terbukti secara sah dan meyakinkan melakukan tindak pidana menggunakan dokumen palsu. Atas putusan pidana tersebut, Ketua Pengadilan Negeri Manado mengeluarkan surat keputusan yang pada intinya eksekusi PLTA Tonsealama menunggu putusan Kasasi pengadilan Pidana. Atas putusan Kasasi Pidana tersebut PLN menang dan PLTA Tonsealama tidak dieksekusi.

Along with the inspection process at the level of Cassation on the resistance of execution PLN has reported acts of criminal falsification of documents on behalf of Hendrik Nelwan used as evidence to sue PLN civilly and have been decided in the level of Cassation where Hendrik Nelwan proven legally and convincingly perform the crime of using false documents. The criminal verdict, the Chairman of the Manado District Court issued a ruling that essentially PLTA Tonsealama execution pending the Criminal Court of Cassation. Criminal Appeal against the decision of the PLN won and PLTA Tonsealama not executed.

- (ii) Pada tahun 2012, Perusahaan menghadapi gugatan perbuatan melawan hukum di Pengadilan Negeri Jakarta Selatan yang diajukan oleh PT Meta Epsi sehubungan dengan Penggugat meminta bank garansi di Bank Niaga untuk tidak dicairkan kepada Perusahaan. Nilai gugatan adalah sebesar Rp 83,3 milyar dan US\$ 5 juta. Pada tanggal 14 Maret 2013, Pengadilan Negeri Jakarta Selatan menerima gugatan penggugat. Pada tanggal 19 Maret 2013, Perusahaan menyatakan banding ke Pengadilan Tinggi Jakarta Selatan. Pada tanggal 27 Oktober 2014, Pengadilan Tinggi Jakarta mengabulkan banding Perusahaan dan membatalkan putusan Pengadilan Negeri Jakarta Selatan.

- (ii) In 2012, the Company faced unlawful acts from PT Meta Epsi in the District Court of South Jakarta relating to the plaintiff's claim to unwithdraw a bank guarantee account in Bank Niaga. The amount of the claim is Rp 83.3 billion and US\$ 5 million. On March 14, 2013, the District Court of South Jakarta granted the plaintiff's claim. On March 19, 2013 the Company appealed to the High Court of South Jakarta. On October 27, 2014, the High Court of Jakarta granted the Company's appeal and cancelled the ruling of the District Court of South Jakarta.

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54. IKATAN DAN KONTINJENSI (lanjutan)

f. Litigasi (lanjutan)

Perusahaan memenangkan perkara ini di tingkat banding. Pada Tingkat Kasasi telah diputus PLN Menang tertanggal 27 Januari 2016. Pada tanggal 20 Oktober 2016 terdapat relas pemberitahuan isi putusan Mahkamah Agung Republik Indonesia yang menyatakan mengabulkan permohonan kasasi dari pemohon kasasi PT Meta Epsi dan membatalkan putusan Pengadilan Tinggi DKI Jakarta tanggal 17 Juli 2014 yang membatalkan putusan Pengadilan Negeri Jakarta Selatan tanggal 14 Maret 2013.

(iii) Pada tanggal 26 Desember 2012 Perusahaan menghadapi gugatan perbuatan melawan hukum yang diajukan oleh PT Modaco Enersys dan PT Angkasa Buana Cipta terkait Penggugat merasa dirugikan karena Perusahaan selaku tergugat memberikan rancangan pekerjaan pembangunan PLTU 1 Nusa Tenggara Barat (2 x 10 MW) Bima yang dirasa keliru sehingga penggugat tidak dapat melanjutkan pembangunannya. Nilai tuntutan ganti rugi sebesar Rp 62 milyar. Pada tanggal 19 Pebruari 2014, Pengadilan Negeri Jakarta Selatan menolak gugatan penggugat, dan selanjutnya penggugat mengajukan banding ke Pengadilan Tinggi Jakarta pada tanggal 3 Maret 2014. Perusahaan memenangkan perkara ini di tingkat banding. Sampai dengan tanggal penerbitan laporan keuangan, perkara ini masih dalam proses kasasi di Mahkamah Agung Republik Indonesia.

(iv) Pada tanggal 21 Agustus 2014, Perusahaan menghadapi gugatan di yang diajukan oleh Ny. Nesah binti Sadih sehubungan dengan sengketa tanah PLTGU Muara Tawar. Nilai gugatan sebesar Rp 59,2 milyar. Perusahaan memenangkan perkara ini di tingkat Pengadilan Negeri dan penggugat mengajukan banding. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, perkara ini masih dalam proses banding di Pengadilan Tinggi Jakarta.

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

f. Litigation (continued)

The Company won the case in the appeal process. At the Court of Final Appeal on January 27, 2016 the Company won the case. On October 20, 2016 a relas from the Supreme Court of the Republic of Indonesia stated to accept the cassation from PT Meta Epsi and to annul the result from the DKI Jakarta High Court dated July 17, 2014 which cancelled the ruling of the Disctrict Court of South Jakarta dated March 14, 2013.

(iii) On December 26, 2012, the Company faced claims for unlawful acts from PT Modaco Enersys and PT Angkasa Buana Cipta relating to the plaintiff's claim that the Company as defendants gave an unsuitable design for PLTU 1 West Nusa Tenggara (2 x 10 MW) Bima. The amount of the claim is Rp 62 billion. On February 19, 2014, the District Court of South Jakarta refused the claim of plaintiff, and consequently, the Company submitted an appeal to High Court of the Jakarta on March 3, 2014. The Company won the case in the appeal process. As of the date of the issuance of the consolidated financial statements, the case is still in the appeal process in the Supreme Court of the Republic of Indonesia.

(iv) On August 21, 2014, the Company faced an unlawful act from Ny. Nesah binti Sadih relating to disputes regarding PLTGU Muara Tawar land rights. The amount of the claim was Rp 59.2 billion. The Company won the case in the State Court, subsequently the plaintiff submitted an appeal. As of the date of the issuance of the consolidated financial statements, the case is still in the appeal process in the High Court of Jakarta.

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54. IKATAN DAN KONTINJENSI (lanjutan)

f. Litigasi (lanjutan)

- (v) Pada tanggal 5 April 2012, PLN Geothermal, entitas anak, menghadapi gugatan perbuatan melawan hukum yang diajukan oleh PT Permata Drilling Internasional (PDI) di Pengadilan Negeri Jakarta Selatan sehubungan dengan pekerjaan *Integrated Project Management* Pengeboran Sumur Eksplorasi di PLTP Tulehu. Berdasarkan Putusan Pengadilan Negeri Jakarta Selatan tanggal 11 Desember 2012, Pengadilan Negeri Jakarta Selatan memutuskan bahwa PLN Geothermal dinyatakan harus membayar ganti rugi kepada PDI sebesar US\$ 12,35 juta. Pada tanggal 18 Desember 2012, PLN Geothermal mengajukan banding ke Pengadilan Tinggi Jakarta, namun Putusan Pengadilan Tinggi Jakarta tanggal 15 Juli 2013 menolak banding PLN Geothermal. Pada tanggal 10 Desember 2013, PLN Geothermal mengajukan kasasi. Berdasarkan putusan Mahkamah Agung No. 939K/PDT/2014 pada tanggal 1 Oktober 2015 menolak permohonan kasasi PLN Geothermal harus membayar kerugian material yang diderita PDI sebesar US\$ 12,35 juta dan Rp 1 milyar.

Secara terpisah, pada tanggal 31 Agustus 2012 PLN Geothermal mengajukan permohonan arbitrase di Badan Arbitrase Nasional Indonesia ("BANI") terhadap PDI atas permasalahan yang sama, karena berdasarkan kontrak perselisihan yang timbul harus diselesaikan melalui BANI. Berdasarkan Putusan BANI tanggal 14 Maret 2013, permohonan PLN Geothermal tersebut dikabulkan BANI dan PDI harus membayar denda keterlambatan kepada PLN Geothermal sebesar US\$ 348.279 ditambah biaya administrasi arbitrase sebesar US\$ 31.560 dan telah berkekuatan hukum tetap.

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

f. Litigation (continued)

- (v) On April 5, 2012, PLN Geothermal, a subsidiary, faced unlawful acts from PT Permata Drilling Internasional (PDI) in the District Court of South Jakarta relating to the work of the *Integrated Project Management of Drilling Exploration Wells at PLTP Tulehu*. Based on the verdict of the District Court of South Jakarta dated December 11, 2012, PLN Geothermal should pay compensation to PDI amounting to US\$ 12.35 million. On December 18, 2012, PLN Geothermal appealed to the High Court of Jakarta, but the verdict of the High Court of Jakarta dated July 15, 2013, denied the appeal. On December 10, 2013, PLN Geothermal appealed to the Supreme Court of Republic of Indonesia. Supreme Court Verdict No. 939K/PDT/2014 dated October 1, 2015 rejected PLN Geothermal's cassation and PLN Geothermal is obliged to make a material loss payment to PDI amounting to US\$ 12.35 million and Rp 1 billion.

Separately, on August 31, 2012, PLN Geothermal registered an arbitration case with Badan Arbitrase Nasional Indonesia ("BANI") regarding the same case against PDI, because it was stated in the contract that any conflict arised should be settled through BANI. Based on the verdict of BANI dated March 14, 2013, PLN Geothermal's petition has been granted by BANI, and PDI is obligated to make late penalty payment to PLN Geothermal amounting to US\$ 348,279 and arbitration administration fee of US\$ 31,560 and it is final and binding.

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54. IKATAN DAN KONTINJENSI (lanjutan)

**54. COMMITMENTS AND CONTINGENCIES
(continued)**

f. Litigasi (lanjutan)

f. Litigation (continued)

Pada tanggal 24 Februari 2016, Perusahaan dan PDI menandatangani Perjanjian Penyelesaian Sengketa pekerjaan pengeboran sumur eksplorasi di PLTP Tulehu. Isi Perjanjian tersebut adalah sebagai berikut:

On February 24, 2016, the Company and PDI signed a Settlement Agreement for drilling exploratory wells in PLTP Tulehu. The contents of the agreement are as follows:

1. Para Pihak sepakat untuk melakukan perdamaian dengan mengabaikan dua putusan di atas;
2. PLN Geothermal berkewajiban membayar denda dan ganti rugi sebesar US\$ 5.086.000. PLN Geothermal telah menyelesaikan kerugian tersebut di tahun 2016.

1. *The Parties agree to make peace by ignoring the two decisions above;*
2. *PLN Geothermal is obliged to pay fines and damages amounting to US\$ 5,086,000. PLN Geothermal has settled the obligation in 2016.*

PLN Geothermal telah menyelesaikan kerugian tersebut di tahun 2016.

PLN Geothermal has settled the obligation in 2016.

- (vi) Pada tanggal 28 Januari 2015, Perusahaan menghadapi gugatan perdata yang diajukan oleh Jaya Bin Jaiyan sebesar Rp 24,6 milyar dan gugatan immaterial sebesar Rp 50 milyar. Perusahaan memenangkan kasus ini di tingkat Pengadilan Negeri. Sampai dengan tangan penerbitan laporan keuangan konsolidasian, perkara ini masih dalam proses banding di tingkat Pengadilan Tinggi.

- (vi) *On January 28, 2015, the Company faced an unlawful act filed by Jaya Bin Jaiyan amounting to Rp 24.6 billion and immaterial claim amounting to Rp 50 billion. The Company won the case in the State Court. As of the date of the issuance of the consolidated financial statements, the case is still in the appeal process in the High Court of Jakarta.*

- (vii) Pada tanggal 11 Januari 2016, PLN menghadapi gugatan dari Netti Pardosi dan Pandapotan Kasmin Simanjuntak terkait pembebasan lahan yang dilakukan Perusahaan atas tanah seluas 6,2 Ha untuk pembangunan PLTA Asahan III. Penggugat menuntut agar pembebasan lahan tersebut dibatalkan. Nilai gugatan ini sebesar Rp 55 milyar. Pengadilan Negeri Balige menerima gugatan dengan putusan tanggal 6 September 2016 dan Perusahaan menyatakan banding pada tanggal 15 September 2016. Pengadilan Tinggi Sumatera Utara menolak permohonan banding dan menguatkan putusan Pengadilan Negeri dengan putusan tertanggal 7 Februari 2017. Atas putusan banding tersebut Perusahaan menyatakan mengajukan kasasi pada tanggal 17 April 2017 dan saat ini masih dalam pemeriksaan Mahkamah Agung.

- (vii) *On January 11, 2016, PLN is facing a lawsuit from Netti Pardosi and Pandapotan Kasmin Simanjuntak related to land rights acquisition by the Company on an area of 6.2 Ha for PLTA Asahan III construction. The plaintiff demanded that land rights acquisition was canceled. The lawsuit amounted to Rp 55 billion. The Balige District Court received the claim on September 6, 2016 and the Company submitted appeal on September 15, 2016. The High Court of North Sumatera rejected the appeal granted and acknowledged the Balige District Court's decision with decision letter dated February 7, 2017. The Company submitted the casation letter on April 17, 2017 and the case is still in investigation by Supreme Court.*

- (viii) Perusahaan dan entitas anak juga menghadapi gugatan ganti rugi dalam jumlah yang tidak material di beberapa lokasi bangunan jaringan transmisi/distribusi, perselisihan dengan karyawan, perkara dengan pelanggan dan pemasok. Manajemen berpendapat klaim-klaim tersebut tidak material dan tidak mempengaruhi kegiatan usaha Perusahaan.

- (viii) *The Company and its subsidiaries also face claims for compensation of losses, which are immaterial in amount, at several areas of the Company's transmission/distribution facilities, disputes with the Company's employees, and cases with customers and suppliers. Management believes that such claims are not material and will not significantly affect the Company's operations.*

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**54. COMMITMENTS AND CONTINGENCIES
(continued)**

f. Litigasi (lanjutan)

f. Litigation (continued)

Pada tanggal penyelesaian laporan keuangan konsolidasian, hasil litigasi-litigasi di atas belum dapat dipastikan dan estimasi andal tidak dapat ditentukan pada saat ini, atau Perusahaan memiliki dasar yang kuat dalam kasus ini karena keputusan pengadilan terakhir menguntungkan Perusahaan dan entitas anak, sehingga tidak ada provisi kerugian yang dibukukan dalam laporan keuangan konsolidasian ini.

As of the completion date of these consolidated financial statements, the results of the above litigations are either still uncertain and no reliable estimate can be made at this point, or the Company has strong grounds supporting the case as the recent court decisions were in favour of the Company and subsidiaries, therefore no provision has been recorded in these consolidated financial statements.

55. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN RISIKO MODAL

55. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Kategori dan klasifikasi instrumen keuangan

a. Categories and classes of financial instruments

Tabel berikut ini mengungkapkan rincian instrumen keuangan Perusahaan dan entitas anak berdasarkan klasifikasi aset keuangan:

The following table discloses the details of the Company's and its subsidiaries' financial asset classifications:

2015				
Klasifikasi instrumen keuangan/ Financial instruments classification Aset Keuangan/Financial Asset				
Pinjaman yang diberikan dan piutang/ Loans and Receivables	Tersedia untuk dijual/Available- for-Sale	Jumlah Aset Keuangan/ Total Financial Assets		
Aset keuangan			Financial assets	
Aset tidak lancar			Non-current assets	
Piutang pihak berelasi	268.647	-	268.647	Receivable from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	8.796.977	-	8.796.977	Restricted cash in banks and time deposits
Piutang lain-lain	68.993	-	68.993	Other receivables
Aset tidak lancar lain	-	1.687	1.687	Other non-current assets
Jumlah aset tidak lancar	9.134.617	1.687	9.136.304	Total non-current assets
Aset lancar			Current assets	
Kas dan setara kas	23.596.339	-	23.596.339	Cash and cash equivalents
Investasi jangka pendek	120.059	-	120.059	Short-term investments
Piutang usaha	19.834.227	-	19.834.227	Trade accounts receivable
Piutang subsidi listrik	17.501.009	-	17.501.009	Receivables on electricity subsidy
Piutang lain-lain	152.577	-	152.577	Other receivables
Piutang pihak berelasi	71.669	-	71.669	Receivables from related parties
Jumlah aset lancar	61.275.880	-	61.275.880	Total current assets
Jumlah aset keuangan	70.410.497	1.687	70.412.184	Total financial assets

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**55. INSTRUMEN KEUANGAN, MANAJEMEN
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(lanjutan)**

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**a. Kategori dan klasifikasi instrumen
keuangan (lanjutan)**

**a. Categories and classes of financial
instruments (continued)**

2014				
Klasifikasi instrumen keuangan/ Financial instruments classification				
Aset Keuangan/Financial Asset				
Pinjaman yang diberikan dan piutang/ Loans and Receivables	Tersedia untuk dijual/Available- for-Sale	Jumlah Aset Keuangan/ Total Financial Assets		
Aset keuangan			Financial assets	
Aset tidak lancar			Non-current assets	
Piutang pihak berelasi	98.829	-	98.829	Receivable from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	5.994.028	-	5.994.028	Restricted cash in banks and time deposits
Piutang lain-lain	321.385	-	321.385	Other receivables
Aset tidak lancar lain	-	20.654	20.654	Other non-current assets
Jumlah aset tidak lancar	6.414.242	20.654	6.434.896	Total non-current assets
Aset lancar			Current assets	
Kas dan setara kas	27.111.528	-	27.111.528	Cash and cash equivalents
Investasi jangka pendek	100.696	-	100.696	Short-term investments
Piutang usaha	19.494.867	-	19.494.867	Trade accounts receivable
Piutang subsidi listrik	19.280.861	-	19.280.861	Receivables on electricity subsidy
Piutang lain-lain	245.366	-	245.366	Other receivables
Piutang pihak berelasi	282.791	-	282.791	Receivables from related parties
Jumlah aset lancar	66.516.109	-	66.516.109	Total current assets
Jumlah aset keuangan	72.930.351	20.654	72.951.005	Total financial assets

Seluruh liabilitas keuangan milik Perusahaan dan entitas anak diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dengan rincian sebagai berikut:

All of the Company's and subsidiaries' financial liabilities are classified as financial liabilities measure at amortized cost, details are as follows:

	2015	2014	
Liabilitas keuangan			Financial liabilities
Liabilitas jangka panjang			Non-current liabilities
Utang jangka panjang - setelah dikurangi bagian jatuh tempo dalam satu tahun			Long-term liabilities - net of current maturities
Penerusan pinjaman	29.205.236	26.453.073	Two-step loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank	8.194.693	8.371.933	Government and non bank Government Financial Institution Loans
Utang sewa pembiayaan	149.621.763	128.096.528	Lease liabilities
Utang bank	77.828.870	70.400.166	Bank loans
Utang obligasi dan sukuk ijarah	80.043.338	81.672.556	Bonds payable and sukuk ijarah
Utang listrik swasta	7.093.280	6.654.142	Electricity purchase payable
Utang pihak berelasi	2.566	7.331	Payable to related parties
Utang lain-lain	67.678	98.771	Other payables
Jumlah liabilitas jangka panjang	352.057.424	321.754.500	Total non-current liabilities

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**a. Kategori dan klasifikasi instrumen
keuangan (lanjutan)**

**a. Categories and classes of financial
instruments (continued)**

	2015	2014	
Liabilitas jangka pendek			Current liabilities
Utang usaha	26.626.001	26.284.155	<i>Trade accounts payable</i>
Biaya masih harus dibayar	5.794.422	5.663.291	<i>Accrued expense</i>
Uang jaminan langganan	11.324.898	10.828.518	<i>Customers' security deposits</i>
Utang biaya proyek	1.113.825	857.728	<i>Project cost payable</i>
Utang jangka panjang jatuh tempo dalam satu tahun			<i>Current maturities of long-term liabilities</i>
Penerusan pinjaman	2.505.347	2.644.611	<i>Two-step loans</i>
Utang kepada Pemerintah dan Lembaga Keuangan			<i>Government and non bank</i>
Pemerintah non bank	293.793	293.793	<i>Government</i>
Utang sewa pembiayaan	6.759.138	5.116.369	<i>Financial Institution Loans</i>
Utang bank	11.752.458	9.527.681	<i>Lease liabilities</i>
Utang obligasi dan sukuk ijarah	9.122.350	805.000	<i>Bank loans</i>
Utang listrik swasta	311.196	291.744	<i>Bonds payable and sukuk ijarah</i>
Utang lain-lain	17.932.260	14.272.781	<i>Electricity purchase payable</i>
			<i>Other payables</i>
Jumlah liabilitas jangka pendek	93.535.688	76.585.671	<i>Total current liabilities</i>
Jumlah liabilitas keuangan	445.593.112	398.340.171	Total financial liabilities

b. Manajemen risiko modal

Perusahaan dan entitas anak mengelola risiko modal untuk memastikan bahwa mereka akan mampu untuk melanjutkan kelangsungan usaha dan untuk memastikan pemenuhan batasan rasio kecukupan modal. Struktur modal Perusahaan dan entitas anak terdiri dari pinjaman (Catatan 23, 24, 25, 26, 27 dan 28) dan ekuitas pemegang saham induk, yang terdiri dari modal yang ditempatkan, saldo laba (Catatan 20), dan tambahan modal disetor (Catatan 21).

b. Capital risk management

The Company and its subsidiaries manage capital risk to ensure that they will be able to continue as a going concern and to ensure compliance with the covenants of the capital adequacy ratio. The Company and its subsidiaries' capital structure consists of debt (Notes 23, 24, 25, 26, 27 and 28) and equity shareholders of the holding that consists of capital stock, retained earnings (Note 20), and additional paid-in capital (Note 21).

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b. Manajemen risiko modal (lanjutan)

Dewan Direksi Perusahaan dan entitas anak secara berkala melakukan tinjauan struktur permodalan Perusahaan dan entitas anak. Sebagai bagian dari tinjauan ini, Dewan Direksi mempertimbangkan biaya permodalan dan risiko yang berhubungan.

Batasan pinjaman Perusahaan mensyaratkan antara lain pemenuhan rasio pinjaman terhadap ekuitas dan rasio kecukupan modal. Manajemen secara berkala memonitor persyaratan tersebut untuk memastikan tidak terdapat pelanggaran dalam batasan pinjaman Perusahaan.

Perusahaan dan entitas anak berusaha untuk meminimalkan biaya pinjaman sehingga dapat memaksimalkan nilai Perusahaan dan entitas anak. Oleh karena itu, kebijakan Perusahaan dan entitas anak dalam mencari pendanaan melalui utang selalu memperhitungkan risiko keuangan yang mungkin timbul di masa depan.

c. Tujuan dan kebijakan manajemen risiko keuangan

Tujuan dan kebijakan manajemen risiko keuangan Perusahaan dan entitas anak adalah untuk memastikan bahwa sumber daya keuangan yang memadai tersedia untuk operasi dan pengembangan bisnis, serta untuk mengelola risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Perusahaan dan entitas anak beroperasi dengan kebijakan yang telah ditentukan oleh Dewan Direksi.

Dalam pengelolaan risiko, Perusahaan membentuk Divisi Manajemen Risiko (Divisi MRO) yang bertanggung jawab terhadap penyusunan kebijakan, kerangka kerja, pedoman penerapan manajemen risiko dan infrastruktur pengelolaan risiko, serta memastikan implementasi manajemen risiko tersebut di lingkungan Perusahaan. Divisi ini juga bertugas untuk menyusun profil risiko yang bersifat strategis sebagai himbuan awal kepada manajemen Perusahaan dan entitas anak. Divisi MRO bertanggung jawab kepada Direktur Perencanaan Korporat.

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

b. Capital risk management (continued)

The Board of Directors of the Company and its subsidiaries periodically review the Company and its subsidiaries' capital structure. As part of this review, the Board of Directors considers the cost of capital and related risks.

The Company's loan covenants require among other things, the fulfillment of a certain debt to equity ratio and capital adequacy ratio. Management regularly monitors such requirements to ensure that there are no defaults on the loans of the Company.

The Company and its subsidiaries aim to minimize the cost of debt in order to maximise their value. Therefore, in their financing policies, the Company and its subsidiaries always take into account the financial risk that may arise in the future.

c. Financial risk management objectives and policies

The objectives and policies of the Company and its subsidiaries' financial risk management are to ensure that adequate financial resources are available for the operation and development of their business, while managing their exposure to market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company and its subsidiaries operate within defined policies approved by the Board of Directors.

In managing those risks, the Company established a Risk Management Division (MRO Division) which is responsible for the preparation of the policies, the relevant frameworks, implementation guideline and the necessary risk management infrastructure to ensure the implementation of risk management in the Company's environment. The division is also established to formulate a strategic risk profile as an early warning to the Company and its subsidiaries' management. The MRO Division is responsible to the Corporate Planning Director.

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(lanjutan)**

**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

Perusahaan telah menetapkan taksonomi risiko dengan membagi risiko menjadi lima kelompok yaitu risiko strategis, risiko keuangan, risiko operasional, risiko proyek, dan risiko kepatuhan. Risiko keuangan diantaranya adalah risiko pasar (termasuk risiko mata uang asing dan risiko tingkat suku bunga), risiko kredit dan risiko likuiditas. Dalam mengelola risiko, Perusahaan mempertimbangkan skala prioritas yang didasarkan pada level risikonya. Level risiko ditentukan berdasarkan tingkat kemungkinan terjadinya dan skala dampak yang ditimbulkan.

Terkait dengan risiko keuangan, Perusahaan telah menetapkan kebijakan manajemen untuk melakukan transaksi lindung nilai. Salah satu Badan Usaha Milik Negara, kebijakan manajemen yang telah disetujui menjadi sangat penting agar tidak timbul masalah pada waktu pelaksanaan akuntansi lindung nilai tersebut. Seluruh instrumen derivatif dicatat dalam laporan posisi keuangan konsolidasian berdasarkan nilai wajarnya. Nilai wajar tersebut ditentukan berdasarkan harga pasar dengan menggunakan kurs Bloomberg pada tanggal laporan. Aset and liabilitas derivatif disajikan sebesar keuntungan maupun kerugian yang belum direalisasi dari kontrak derivatif. Kontrak derivatif Perusahaan dan entitas anak diklasifikasikan sebagai instrumen keuangan yang diukur pada nilai wajar melalui laporan laba rugi ("FVTPL"). Transaksi ini semata-mata dimaksudkan untuk memitigasi risiko nilai tukar, tidak untuk diperdagangkan, dan memastikan ketersediaan likuiditas valas untuk pembayaran sebagian kewajiban valas yang jatuh tempo dalam jangka waktu 1-3 bulan pada periode pelaporan Group. Lihat Catatan 2 untuk kebijakan akuntansi untuk aset keuangan dan liabilitas keuangan dan Catatan 55 untuk klasifikasi instrumen keuangan. Perusahaan dan entitas anak tidak menerapkan akuntansi lindung nilai atas transaksi-transaksi tersebut. Pada tanggal 31 Desember 2015, semua transaksi kontrak derivatif telah diselesaikan sebelum tanggal pelaporan.

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**c. Financial risk management objectives and
policies (continued)**

The Company has established risk taxonomy by dividing risk into five categories: strategic risk, financial risk, operational risk, project risk, and compliance risk. Financial risk includes market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. In managing those risks, the Company considers prioritization based on risk level. Risk level is determined by the level of possibility and scale of potential impact.

Related to financial risks, the Company has established management's policy related to hedging transactions. As an SOE, the approved management policy is very important in order to avoid any issues that may arise during the implementation of such hedging programs. All derivative instruments are recognized in the consolidated statement of financial position at their fair values. Fair value is determined based on market value using the Bloomberg rate at the reporting date. Derivative assets or liabilities are presented at the amount of unrealized gain or loss from derivative contracts. The Company and its subsidiaries' derivative contracts are classified as financial instruments measured in fair value through profit and loss ("FVTPL"). These transactions are solely intended for mitigating foreign exchange risk, not for trading, and ensuring the availability of foreign currency liquidity for principal and interest payment due in the 1-3 months of the Company and its subsidiaries reporting period. Refer to Note 2 for the accounting policy of financial assets and liabilities, as well as Note 55 for the financial instruments classification. The Company and its subsidiaries do not apply hedge accounting on those transactions. As at December 31, 2015, all derivative contracts were settled prior to the reporting date.

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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

i. Manajemen risiko mata uang asing

Perusahaan dan entitas anak memiliki banyak transaksi dan sumber pendanaan dalam mata uang asing. Sebagai akibatnya timbul eksposur terhadap fluktuasi nilai tukar mata uang asing.

Perusahaan telah melakukan diskusi dengan Bank Indonesia (BI) untuk mendapatkan pemahaman komprehensif atas keadaan pasar. Perusahaan kemudian akan mempertimbangkan keadaan pasar ke dalam proyeksi keuangan internal mereka dan mengembangkan strategi yang telah disetujui bersama untuk memitigasi eksposur risiko mata uang asing dengan membeli instrumen mata uang asing yang dibutuhkan disaat yang tepat.

Jumlah eksposur mata uang asing bersih Perusahaan dan entitas anak pada tanggal pelaporan diungkapkan dalam Catatan 52.

Sensitivitas mata uang asing

Tabel di bawah ini memaparkan rincian sensitivitas Perusahaan dan entitas anak untuk setiap 10% kenaikan dan penurunan Rupiah terhadap mata uang asing yang relevan. 10% kenaikan dan penurunan menggambarkan penilaian manajemen terhadap perubahan yang rasional pada nilai tukar dengan mempertimbangkan kondisi ekonomi saat ini. Analisis sensitivitas ini mencakup saldo item moneter setelah pajak dalam mata uang asing dan menyesuaikan translasi pada akhir tahun untuk 10% perubahan dalam nilai tukar mata uang asing.

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**c. Financial risk management objectives and
policies (continued)**

i. Foreign currency risk management

The Company and its subsidiaries undertake many transactions and funding sources denominated in foreign currencies. Consequently, there is exposures to exchange rate fluctuations.

The Company held regular discussions with Bank Indonesia (BI) to get a comprehensive understanding of the market outlook. The Company then incorporated this outlook into its internal financial forecast and developed a concerted strategy to mitigate its foreign currency exposure by purchasing the required foreign currency denominated instruments at the right time.

The Company and its subsidiaries' foreign currency exposure as of the reporting date is disclosed in Note 52.

Foreign currency sensitivity

The following table explains the details of the Company's and its subsidiaries' sensitivity to a 10% increase and decrease in Rupiah against the relevant foreign currencies. This 10% increase or decrease represents management's assessment of the reasonably possible changes in foreign currency rates considering the current economic conditions. The sensitivity analysis includes after tax outstanding foreign denominated monetary items and adjusts their translation at the end of the year for a 10% change in foreign currency rates.

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

**i. Manajemen risiko mata uang asing
(lanjutan)**

**i. Foreign currency risk management
(continued)**

Sensitivitas mata uang asing (lanjutan)

Foreign currency sensitivity (continued)

Analisa sensitifitas ini tidak memperhitungkan dampak dan perubahan kurs mata uang asing yang dapat dikapitalisasi sebagai aset pekerjaan dalam penyelesaian sesuai dengan PSAK 26, "Biaya Pinjaman".

This sensitivity analysis does not consider the potential changes to the amount of foreign exchange differences that can be capitalized as construction in progress assets in accordance with SFAS 26, "Borrowing Costs".

	Dampak terhadap laba setelah pajak/ Effect to profit after tax *)				
	2015				
	JPY		USD		
	10%	-10%	10%	-10%	
Aset Keuangan					Financial Assets
Piutang pihak berelasi	-	-	21.726	(21.726)	Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	612.056	(612.056)	45.984	(45.984)	Restricted cash in banks and time deposits
Kas dan setara kas	5.542	(5.542)	184.015	(184.015)	Cash and cash equivalents
Jumlah aset keuangan	617.598	(617.598)	251.725	(251.725)	Total financial assets
Liabilitas Keuangan					Financial Liabilities
Penerusan pinjaman	(1.617.445)	1.617.445	(664.009)	664.009	Two-step loans
Utang sewa pembiayaan	(1.875.167)	1.875.167	(9.586.677)	9.586.677	Lease liabilities
Utang bank	-	-	(2.832.423)	2.832.423	Bank loans
Utang obligasi dan sukuk ijarah	-	-	(5.742.169)	5.742.169	Bonds payable and sukuk ijarah
Utang listrik swasta	-	-	(555.331)	555.331	Electricity purchase payable
Utang lain-lain	(7.730)	7.730	(493.365)	493.365	Other payables
Utang biaya proyek	(3.370)	3.370	(63.520)	63.520	Project cost payable
Utang usaha	-	-	(344.721)	344.721	Trade accounts payable
Biaya masih harus dibayar	(42.352)	42.352	(289.018)	289.018	Accrued expenses
Jumlah liabilitas keuangan	(3.546.064)	3.546.064	(20.571.233)	20.571.233	Total financial liabilities
Jumlah bersih	(2.928.466)	2.928.466	(20.319.508)	20.319.508	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman/Not considering the effect of borrowing cost capitalization

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

**i. Manajemen risiko mata uang asing
(lanjutan)**

**i. Foreign currency risk management
(continued)**

Sensitivitas mata uang asing (lanjutan)

Foreign currency sensitivity (continued)

	Dampak terhadap laba setelah pajak/ Effect to profit after tax *)				
	2015				
	EUR		Lain-lain/Others **)		
	10%	-10%	10%	-10%	
Aset Keuangan					Financial Assets
Kas dan setara kas	21.274	(21.274)	488	(488)	Cash and cash equivalents
Jumlah aset keuangan	21.274	(21.274)	488	(488)	Total financial assets
Liabilitas Keuangan					Financial Liabilities
Penerusan pinjaman	(64.161)	64.161	(17.944)	17.944	Two-step loans
Utang bank	(103.328)	103.328	-	-	Bank loans
Utang lain-lain	-	-	(23.888)	23.888	Other payables
Utang biaya proyek	(8.946)	8.946	-	-	Project cost payable
Utang usaha	(1.975)	1.975	-	-	Trade accounts payable
Biaya masih harus dibayar	(1.148)	1.148	(179)	179	Accrued expenses
Total liabilitas keuangan	(179.558)	179.558	(42.011)	42.011	Total financial liabilities
Jumlah bersih	(158.284)	158.284	(41.523)	41.523	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman
**) Mata uang asing lainnya disajikan dalam jumlah setara US\$ menggunakan kurs tanggal pelaporan

*) Not considering the effect of borrowing cost capitalization
**) Other foreign currencies are presented as US\$ equivalent using the exchange rates prevailing at reporting the date

	Dampak terhadap laba setelah pajak/ Effect to profit after tax *)				
	2014				
	JPY		USD		
	10%	-10%	10%	-10%	
Aset Keuangan					Financial Assets
Piutang pihak berelasi	-	-	16.973	(16.973)	Receivables from related parties
Rekening dan deposito berjangka dibatasi penggunaannya	410.438	(410.438)	38.163	(38.163)	Restricted cash in banks and time deposits
Kas dan setara kas	14.256	(14.256)	272.361	(272.361)	Cash and cash equivalents
Jumlah aset keuangan	424.694	(424.694)	327.497	(327.497)	Total financial assets
Liabilitas Keuangan					Financial Liabilities
Penerusan pinjaman	(1.491.785)	1.491.785	(561.261)	561.261	Two-step loans
Utang sewa pembiayaan	(1.922.515)	1.922.515	(7.795.091)	7.795.091	Lease liabilities
Utang bank	-	-	(2.855.726)	2.855.726	Bank loan
Utang obligasi dan sukuk ijarah	-	-	(5.178.150)	5.178.150	Bonds payable and sukuk ijarah
Utang listrik swasta	-	-	(520.941)	520.941	Electricity purchase payable
Utang lain-lain	(5.041)	5.041	(300.602)	300.602	Other payables
Utang biaya proyek	(14.361)	14.361	(27.275)	27.275	Project cost payable
Utang usaha	-	-	(332.228)	332.228	Trade accounts payable
Biaya masih harus dibayar	(33.575)	33.575	(247.012)	247.012	Accrued expenses
Jumlah liabilitas keuangan	(3.467.277)	3.467.277	(17.818.286)	17.818.286	Total financial liabilities
Jumlah bersih	(3.042.583)	3.042.583	(17.490.789)	17.490.789	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman/Not considering the effect of borrowing cost capitalization

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

**i. Manajemen risiko mata uang asing
(lanjutan)**

**i. Foreign currency risk management
(continued)**

Sensitivitas mata uang asing (lanjutan)

Foreign currency sensitivity (continued)

	Dampak terhadap laba setelah pajak/ Effect to profit after tax *)				
	2014				
	EUR		Lain-lain/Others **)		
	10%	-10%	10%	-10%	
Aset Keuangan					Financial Assets
Kas dan setara kas	60.276	(60.276)	440	(440)	Cash and cash equivalents
Jumlah aset keuangan	60.276	(60.276)	440	(440)	Total financial assets
Liabilitas Keuangan					Financial Liabilities
Penerusan pinjaman	(85.194)	85.194	(20.054)	20.054	Two-step loans
Utang bank	(52.711)	52.711	-	-	Bank loans
Utang lain-lain	(12.991)	12.991	(28.686)	28.686	Other payables
Utang biaya proyek	(5.663)	5.663	-	-	Project cost payable
Utang usaha	(15.104)	15.104	-	-	Trade accounts payable
Biaya masih harus dibayar	(769)	769	(213)	213	Accrued expenses
Total liabilitas keuangan	(172.432)	172.432	(48.953)	48.953	Total financial liabilities
Jumlah bersih	(112.156)	112.156	(48.513)	48.513	Total - net

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman
**) Mata uang asing lainnya disajikan dalam jumlah setara US\$ menggunakan kurs tanggal pelaporan

*) Not considering the effect of borrowing cost capitalization
**) Other foreign currencies are presented as US\$ equivalent using the exchange rates prevailing at the reporting date

ii. Manajemen risiko tingkat suku bunga

Perusahaan dan entitas anak memiliki transaksi pada tingkat suku bunga tetap dan tingkat suku bunga mengambang. Transaksi dengan tingkat suku bunga mengambang terekspos terhadap risiko suku bunga arus kas. Pinjaman yang diterbitkan dengan tingkat suku bunga tetap mengekspos Perusahaan dan entitas anak dengan risiko suku bunga nilai wajar. Perusahaan dan entitas anak mengelola risiko dengan menyeimbangkan porsi pinjaman dengan bunga tetap dan bunga mengambang.

ii. Interest rate risk management

The Company and its subsidiaries have transactions at fixed and floating interest rates. Transactions at floating interest rates are exposed to cash flow interest rate risk. Borrowing issued at fixed rates exposes the Company and its subsidiaries to fair value interest risk. The Company and its subsidiaries manage the risk by maintaining an appropriate mix of fixed and floating rate borrowings.

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

**ii. Manajemen risiko tingkat suku bunga
(lanjutan)**

**ii. Interest rate risk management
(continued)**

Sensitivitas tingkat suku bunga

Analisis sensitivitas berikut telah ditentukan berdasarkan eksposur Perusahaan dan entitas anak terhadap tingkat suku bunga untuk saldo instrumen keuangan terutang setelah pajak pada tanggal pelaporan. Analisis ini disusun dengan mengasumsikan jumlah saldo aset dan liabilitas terutang pada akhir periode pelaporan, terutang sepanjang tahun. Analisis sensitivitas ini menggunakan asumsi kenaikan dan penurunan sebesar 50 basis poin pada tingkat bunga yang relevan dengan variabel lain dianggap konstan. Kenaikan dan penurunan sebesar 50 basis poin merupakan penilaian manajemen atas kemungkinan perubahan yang rasional terhadap tingkat bunga setelah mempertimbangkan kondisi ekonomi saat ini.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Company's and its subsidiaries' exposure to interest rates for financial instruments after tax outstanding at the reporting date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis uses an assumption of a 50 basis point increase and decrease in the relevant interest rates with all other variables held constant. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates after considering the current economic conditions.

	Dampak terhadap laba setelah pajak/ Effect to profit after tax*)		
	2015		
	+ 50 bp	- 50 bp	
Aset Keuangan			Financial Assets
Kas dan setara kas	88.486	(88.486)	Cash and cash equivalents
Investasi jangka pendek	436	(436)	Short-term investments
Rekening dan deposito berjangka dibatasi penggunaannya	<u>32.989</u>	<u>(32.989)</u>	Restricted cash in banks and time deposits
Sub jumlah laba (rugi)	<u>121.911</u>	<u>(121.911)</u>	Sub total income (loss)
Liabilitas keuangan			Financial Liabilities
Penerusan pinjaman	(29.086)	29.086	Two-step loans
Utang bank	<u>(333.588)</u>	<u>333.588</u>	Bank loans
Sub jumlah laba (rugi)	<u>(362.674)</u>	<u>362.674</u>	Sub total income (loss)
Jumlah laba (rugi)	<u>(240.763)</u>	<u>240.763</u>	Total income (loss)

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman/Not considering the effect of borrowing cost capitalization

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**55. INSTRUMEN KEUANGAN, MANAJEMEN
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(lanjutan)**

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

**ii. Manajemen risiko tingkat suku bunga
(lanjutan)**

**ii. Interest rate risk management
(continued)**

**Sensitivitas tingkat suku bunga
(lanjutan)**

Interest rate sensitivity (continued)

	Dampak terhadap laba setelah pajak/ Effect to profit after tax*)		
	2014		
	+ 50 bp	- 50 bp	
Aset Keuangan			Financial Assets
Kas dan setara kas	101.668	(101.668)	Cash and cash equivalents
Investasi jangka pendek	352	(352)	Short-term investments
Rekening dan deposito berjangka dibatasi penggunaannya	22.478	(22.478)	Restricted cash in banks and time deposits
Sub jumlah laba (rugi)	124.498	(124.498)	Sub total income (loss)
Liabilitas keuangan			Financial Liabilities
Penerusan pinjaman	(25.570)	25.570	Two-step loans
Utang bank	(307.896)	307.896	Bank loans
Sub jumlah laba (rugi)	(333.466)	333.466	Sub total income (loss)
Jumlah laba (rugi)	(208.968)	208.968	Total income (loss)

*) Tidak memperhitungkan efek atas kapitalisasi biaya pinjaman/Not considering the effect of borrowing cost capitalization

iii. Manajemen risiko kredit

iii. Credit risk management

Risiko kredit mengacu pada risiko bahwa pihak ketiga akan gagal dalam memenuhi kewajiban kontraktualnya yang mengakibatkan kerugian bagi Perusahaan dan entitas anak. Sebagai perusahaan yang diberikan kewajiban untuk melayani publik oleh Pemerintah Republik Indonesia, Perusahaan dan entitas anak diwajibkan melayani semua pelanggan tanpa melihat apakah nantinya akan bisa membayar atau tidak. Dalam meminimalkan risiko tidak tertagihnya piutang, Perusahaan dan entitas anak menerapkan uang jaminan pelanggan dan melakukan pemutusan sambungan listrik ke pelanggan ditentukan jika pelanggan tidak membayar lewat dari tiga bulan untuk meminimalkan risiko kredit. Untuk kas dan setara kas, Perusahaan dan entitas anak mengelola rekening pada beberapa Bank untuk menghindari konsentrasi kas yang signifikan dengan satu institusi.

Credit risk refers to the risk that the counterparties will default on their contractual obligations resulting in a loss to the Company and its subsidiaries. As a company that performs a public service obligation on behalf of the Government of the Republic of Indonesia, the Company and its subsidiaries are obliged to serve all customers regardless of the ability to pay. In minimizing the risk of uncollected receivables, the Company and its subsidiaries collect customers security deposits and will terminate the electricity connection to the customer if a customer does not make payment on time after three months to minimise the Company's credit risk. For cash and cash equivalents, the Company and its subsidiaries maintain accounts with several banks to avoid significant concentration of cash in one institution.

Nilai tercatat aset keuangan pada laporan keuangan konsolidasian setelah dikurangi dengan penyisihan untuk kerugian mencerminkan eksposur Perusahaan dan entitas anak terhadap risiko kredit. Lihat Catatan 55.a untuk rinciannya.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Company's and its subsidiaries exposure to credit risk. See Note 55.a for details.

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

iii. Manajemen risiko kredit (lanjutan)

iii. Credit risk management (continued)

Kualitas kredit piutang usaha

Perusahaan berkeyakinan bahwa tidak ada risiko kredit kualitas yang buruk karena piutang usaha Perusahaan tersebar merata atas jumlah pelanggan yang besar yang meliputi berbagai industri dan wilayah geografis. Perusahaan juga melakukan evaluasi kredit berkelanjutan atas kondisi keuangan piutang secara berkala. Lihat Catatan 14 untuk rincian umur piutang dan analisa cadangan penurunan nilai.

Credit quality of trade accounts receivable

The Company believes there is no heightened risk of poor credit quality because its trade receivables are spread over a large number of customers across diverse industries and geographic areas. The Company also performs ongoing credit evaluation on the financial condition of its accounts receivable. See Note 14 for detailed information of the aging of receivables and impairment assessment of trade receivables.

Kualitas kredit piutang subsidi listrik

Perusahaan berkeyakinan bahwa piutang subsidi listrik dapat diterima sepenuhnya dalam jangka waktu yang telah ditentukan dari Pemerintah Republik Indonesia. Perusahaan berkeyakinan bahwa tidak ada risiko gagal bayar oleh Pemerintah.

Credit quality of electricity subsidy

Receivables on electricity subsidy can be fully recovered in time because they are collected from the Government of the Republic of Indonesia. The Company believes there is no risk of default by the Government.

Kualitas kredit kas, deposito berjangka
dan kas yang dibatasi penggunaannya

Perusahaan menempatkan kas dan setara kas, deposito berjangka dan rekening deposito yang dibatasi penggunaannya pada bank yang memiliki kualitas kredit yang baik. Oleh karena itu, Perusahaan berkeyakinan bahwa risiko kredit atas aset keuangan ini adalah minimal. Pihak ketiga yang dimaksud termasuk institusi keuangan utama dan BUMN lainnya.

Credit qualities of cash, term deposits and
restricted cash

The Company placed cash and cash equivalents, term deposits and restricted cash with reputable counterparties that have good credit rating or bank standing. Consequently, the Company believes the credit risk of such financial assets is minimal. These counterparties include large financial institutions and other SOEs.

Kualitas kredit piutang lainnya

Piutang lainnya ditagihkan kepada pihak berelasi dan karyawan Perusahaan, oleh karena itu Perusahaan dapat memonitor kolektibilitas piutang-piutang ini dengan seksama. Perusahaan memiliki tingkat kolektibilitas yang baik atas piutang-piutang terkait.

Credit quality of other receivables

Other receivables are to be collected from the Company's related parties and employees; as such, the Company can closely monitor the collectability of these receivables. The Company has a good historical collection rate of these financial assets.

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

iii. Manajemen risiko kredit (lanjutan)

iii. Credit risk management (continued)

Pada tanggal 31 Desember 2015 dan 2014, saldo dari risiko kredit Grup terdiri dari:

As at 31 December 2015 and 2014, balances of the Group's credit risk consist of the following:

	31 Desember/December 2015			Jumlah/ Total	
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ Neither past due nor impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired	Telah jatuh tempo dan mengalami penurunan nilai/ Past due and impaired		
Aset tidak lancar					Non-current assets
Piutang pihak berelasi	268.647	-	-	268.647	Receivables from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	8.796.977	-	-	8.796.977	Restricted cash in banks and time deposits
Piutang lain-lain	312.084	-	-	312.084	Other receivables
Aset tidak lancar lain	1.687	-	-	1.687	Other non-current assets
Jumlah aset tidak lancar	9.379.395	-	-	9.379.395	Total non-current assets
Aset lancar					Current assets
Kas dan setara kas	23.596.339	-	-	23.596.339	Cash and cash equivalents
Investasi jangka pendek	120.059	-	-	120.059	Short term investments
Piutang usaha	17.462.474	1.509.129	862.624	19.834.227	Trade receivables
Piutang subsidi listrik	17.501.009	-	-	17.501.009	Receivables on electricity subsidy
Piutang lain-lain	481.681	-	-	481.681	Other receivables
Piutang pihak berelasi	71.669	-	-	71.669	Receivables from related parties
Jumlah aset lancar	59.233.231	1.509.129	862.624	61.604.984	Total current assets
Jumlah aset keuangan	68.612.626	1.509.129	862.624	70.984.379	Total financial assets
	31 Desember/December 2014				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ Neither past due nor impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired	Telah jatuh tempo dan mengalami penurunan nilai/ Past due and impaired	Jumlah/ Total	
Aset tidak lancar					Non-current assets
Piutang pihak berelasi	98.829	-	-	98.829	Receivables from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	5.994.028	-	-	5.994.028	Restricted cash in banks and time deposits
Piutang lain-lain	321.385	-	-	321.385	Other receivables
Aset tidak lancar lain	20.654	-	-	20.654	Other non-current assets
Jumlah aset tidak lancar	6.434.896	-	-	6.434.896	Total non-current assets
Aset lancar					Current assets
Kas dan setara kas	27.111.528	-	-	27.111.528	Cash and cash equivalents
Investasi jangka pendek	100.696	-	-	100.696	Short term investments
Piutang usaha	16.786.155	2.111.117	597.595	19.494.867	Trade receivables
Piutang subsidi listrik	19.280.861	-	-	19.280.861	Receivables on electricity subsidy
Piutang lain-lain	866.948	-	-	866.948	Other receivables
Piutang pihak berelasi	282.791	-	-	282.791	Receivables from related parties
Jumlah aset lancar	64.428.979	2.111.117	597.595	67.137.691	Total current assets
Jumlah aset keuangan	70.863.875	2.111.117	597.595	73.572.587	Total financial assets

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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

iv. Manajemen risiko likuiditas

Risiko likuiditas didefinisikan sebagai risiko bahwa Perusahaan dan entitas anak akan menghadapi kesulitan dalam memenuhi kewajiban terkait dengan liabilitas keuangan yang diselesaikan dengan pembayaran kas atau aset keuangan lainnya. Tanggung jawab utama manajemen risiko likuiditas terletak pada Dewan Direksi, yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk persyaratan manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang Perusahaan dan entitas anak. Perusahaan dan entitas anak mengelola risiko likuiditas dengan menjaga kecukupan kas, simpanan, fasilitas bank dan cadangan fasilitas pinjaman dengan terus menerus memonitor perkiraan dan realisasi arus kas dan mencocokkan profil jatuh tempo liabilitas keuangan.

Selanjutnya Perusahaan dan entitas anak juga memelihara kecukupan dana dengan cara mempertahankan kecukupan jumlah kas dan setara kas dan investasi jangka pendek yang mudah dikonversi menjadi uang tunai ketika mengalami gangguan yang tak terduga dari penagihan kas.

Tabel berikut ini memberikan rincian tanggal jatuh tempo kontraktual untuk liabilitas keuangan dengan pembayaran yang telah disepakati pada periode 31 Desember 2015. Tabel tersebut telah disusun berdasarkan arus kas liabilitas keuangan yang tidak didiskontokan berdasarkan tanggal paling awal dimana Perusahaan dan entitas anak diwajibkan untuk membayar. Untuk arus bunga dengan tingkat bunga mengambang, nilai arus kas yang tidak terdiskonto diperoleh dari kurva suku bunga pada akhir periode. Untuk liabilitas keuangan yang didenominasi dengan mata uang asing, jumlah yang tidak didiskontokan ditranslasi dengan kurva nilai tukar *forward* yang relevan pada akhir periode pelaporan.

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**c. Financial risk management objectives and
policies (continued)**

iv. Liquidity risk management

Liquidity risk is defined as the risk that the Company and its subsidiaries will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company and its subsidiaries short, medium and long-term funding and liquidity management requirements. The Company and its subsidiaries manage liquidity risk by maintaining adequate cash, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

In addition, the Company and its subsidiaries maintain an adequate amount of cash and cash equivalents and short-term investments, which may be readily converted to cash upon any unforeseen interruption of its cash collections.

The following table details the Company and its subsidiaries remaining contractual maturity for its financial liabilities with an agreed repayment period as of December 31, 2015. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company and its subsidiaries are required to pay. To the extent that interest flows are floating rate, the undiscounted cash flow is derived from interest rate curves at the end of the reporting period. For foreign currency denominated financial liabilities, the undiscounted amortization is translated using the relevant forward exchange curve at the end of the reporting period.

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**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
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**c. Tujuan dan kebijakan manajemen risiko
keuangan (lanjutan)**

**c. Financial risk management objectives and
policies (continued)**

iv. Manajemen risiko likuiditas (lanjutan)

iv. Liquidity risk management (continued)

	2015					
	Kurang dari satu tahun/ Less than one year	Lebih dari satu tahun tetapi tidak lebih dari tiga tahun/ Over one year but not longer than three years	Lebih dari tiga tahun tetapi tidak lebih dari lima tahun/ Over three years but not longer than five years	Lebih dari lima tahun/ Over five years	Jumlah/ Total	
Liabilitas Keuangan						Financial Liabilities
Penerusan pinjaman	3.268.316	6.186.444	4.832.443	22.558.089	36.845.292	Two-step loans
Utang kepada pemerintah dan Lembaga keuangan						Government and non bank Government Financial
Pemerintah non bank	750.872	2.903.581	2.697.016	5.278.641	11.630.110	Institution Loans
Utang sewa pembiayaan	31.340.649	62.140.871	54.622.763	355.390.174	503.494.457	Lease liability
Utang bank	17.513.626	35.774.915	31.128.580	38.055.597	122.472.718	Bank loans
Utang obligasi dan sukuk ijarah	6.992.468	22.967.948	39.612.726	85.462.633	155.035.775	Bonds payable and sukuk ijarah
Utang listrik swasta	662.160	1.324.320	1.324.320	7.338.940	10.649.740	Electricity purchase payable
Utang pihak berelasi	2.566	-	-	-	2.566	Payable to related parties
Utang usaha	26.626.001	-	-	-	26.626.001	Trade accounts payable
Utang jaminan langganan	11.324.898	-	-	-	11.324.898	Customers' security deposits
Utang biaya proyek	1.113.825	-	-	-	1.113.825	Project cost payable
Biaya masih harus dibayar	5.794.422	-	-	-	5.794.422	Accrued expense
Utang lain-lain	17.932.260	67.678	-	-	17.999.938	Other payables
Jumlah	123.322.063	131.365.757	134.217.848	514.084.074	902.989.742	Total
	2014					
	Kurang dari satu tahun/ Less than one year	Lebih dari satu tahun tetapi tidak lebih dari tiga tahun/ Over one year but not longer than three years	Lebih dari tiga tahun tetapi tidak lebih dari lima tahun/ Over three years but not longer than five years	Lebih dari lima tahun/ Over five years	Jumlah/ Total	
Liabilitas Keuangan						Financial Liabilities
Penerusan pinjaman	3.402.946	5.778.914	4.718.086	20.160.403	34.060.349	Two-step loans
Utang kepada pemerintah dan Lembaga keuangan						Government and non bank Government Financial
Pemerintah non bank	761.547	2.228.581	2.799.908	6.601.621	12.391.657	Institution Loans
Utang sewa pembiayaan	25.735.327	50.603.341	49.212.514	300.340.464	425.891.646	Lease liability
Utang bank	16.688.443	31.449.736	25.462.557	26.319.226	99.919.962	Bank loans
Utang obligasi dan sukuk ijarah	7.104.476	28.719.129	20.384.658	81.935.528	138.143.791	Bonds payable and sukuk ijarah
Utang listrik swasta	597.120	1.194.240	1.194.240	7.165.440	10.151.040	Electricity purchase payable
Utang pihak berelasi	3.969	3.362	-	-	7.331	Payable to related parties
Utang usaha	26.284.155	-	-	-	26.284.155	Trade accounts payable
Utang jaminan langganan	10.828.518	-	-	-	10.828.518	Customers' security deposits
Utang biaya proyek	857.728	-	-	-	857.728	Project cost payable
Biaya masih harus dibayar	5.663.291	-	-	-	5.663.291	Accrued expense
Utang lain-lain	14.272.781	98.771	-	-	14.371.552	Other payables
Jumlah	112.200.301	120.076.074	103.771.963	442.522.682	778.571.020	Total

d. Nilai wajar instrumen keuangan

d. Fair value of financial instruments

Kecuali dijabarkan pada tabel berikut ini, manajemen berpendapat bahwa nilai tercatat aset dan liabilitas keuangan yang dicatat sebesar biaya perolehan diamortisasi dalam laporan keuangan konsolidasian mendekati nilai wajarnya baik yang jatuh tempo dalam jangka pendek, instrumen tersebut dijamin penuh atau mempunyai tingkat suku bunga pasar:

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values either because of their short-term maturities, because the instruments are fully collateralized or because they carry a market interest rate:

	2015		2014		
	Nilai tercatat/ Carrying amount	Nilai wajar/ Fair value	Nilai tercatat/ Carrying amount	Nilai wajar/ Fair value	
Pinjaman diberikan dan piutang					Loans and receivables
Piutang pihak berelasi	340.316	339.279	381.620	381.620	Receivables from related parties
Rekening bank dan deposito berjangka dibatasi penggunaannya	8.796.977	9.107.686	5.994.028	6.786.350	Restricted cash in banks and time deposits
Liabilitas pada biaya perolehan diamortisasi					Liabilities at amortized cost
Penerusan pinjaman	31.710.583	33.786.503	29.097.684	31.011.737	Two-step loans
Utang kepada Pemerintah dan Lembaga Keuangan Pemerintah non bank	8.488.486	7.644.779	8.665.726	8.284.824	Government and non bank Government Financial
Utang sewa pembiayaan	156.380.901	177.438.720	133.212.897	151.928.444	Lease liabilities
Utang obligasi dan sukuk ijarah	89.165.688	91.994.400	82.477.556	89.549.382	Bonds payable and sukuk ijarah
Utang listrik swasta	7.404.476	8.589.993	6.945.886	7.810.637	Electricity purchase payable
Utang pihak berelasi	2.566	2.566	7.331	7.331	Payable to related parties
Utang bank	89.581.328	89.580.913	79.927.847	81.361.035	Bank loan

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d. Nilai wajar instrumen keuangan (lanjutan)

Nilai wajar instrumen keuangan di atas, kecuali untuk utang obligasi, ditentukan dengan mendiskontokan estimasi arus kas masa depan menggunakan suku bunga pasar dengan penyesuaian kredit pada tanggal pelaporan. Nilai wajar instrumen keuangan di atas diklasifikasikan sebagai tingkat dua dalam hirarki nilai wajar.

Nilai wajar dari utang obligasi, ditentukan dengan mengacu pada harga pasar yang dikuotasikan pada tanggal pelaporan. Nilai wajar utang obligasi di atas diklasifikasikan sebagai tingkat satu dalam hirarki nilai wajar.

**55. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT (continued)**

**d. Fair value of financial instruments
(continued)**

The fair value for the above financial instruments, except for bonds payable, was determined by discounting estimated future cash flows with credit adjusted market interest rates at the reporting date. The fair values of the above financial instruments are within level two of the fair value hierarchy.

The fair value of bonds payable is determined by quoted the closing ask price at the reporting date. The fair values of the above financial instruments are within level one of the fair value hierarchy.

**56. PENYAJIAN KEMBALI DAN REKLASIFIKASI
ATAS AKUN-AKUN LAPORAN KEUANGAN**

Dewan Standar Akuntansi Keuangan Indonesia menerbitkan PSAK No. 24 (revisi 2013), "Imbalan Kerja" dan PSAK No. 66 (revisi 2015), "Pengaturan Bersama" yang disyaratkan untuk diaplikasikan untuk tahun buku yang dimulai pada atau setelah 1 Januari 2015. Perusahaan dan entitas anak telah mengadopsi standar ini sesuai dengan ketentuan transisi yang disyaratkan dalam PSAK No. 24 (revisi 2013) dan PSAK No. 66 (revisi 2015) dengan berlaku surut. Lihat Catatan 2 untuk ringkasan penjelasan atas perubahan terkait. Selain itu, Perusahaan juga mereklasifikasi laporan laba-rugi dan penghasilan komprehensif lain konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2014 agar sesuai dengan penyajian laporan laba-rugi dan penghasilan komprehensif lain konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2015 terkait dengan penyajian subsidi listrik pemerintah.

Akun-akun laporan keuangan berikut ini disesuaikan dan direklasifikasi untuk mencerminkan dampak dari penerapan PSAK No. 24 (revisi 2013) dan PSAK No. 66 (revisi 2015) dan terkait dengan penyajian subsidi listrik pemerintah:

**56. RESTATEMENT AND RECLASSIFICATION OF
ACCOUNTS IN THE FINANCIAL STATEMENTS**

The Indonesian Financial Accounting Standards Board issued SFAS No. 24 (revised 2013), "Employee Benefits" and SFAS No. 66 (revised 2015), "Joint Arrangements" which is required to be applied for financial year beginning and or after January 1, 2015. The Company and its subsidiaries have adopted this standard in accordance with the provisions of SFAS No. 24 (revised 2013) and SFAS No. 66 (revised 2015) retrospectively. Please refer to Note 2 for a brief description of the changes. In addition, the Company also reclassified its consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2014 to conform with presentation of consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015 related to the presentation of Government's electricity subsidy.

The following financial statement line items were adjusted and reclassified to reflect the implication of applying SFAS No. 24 (revised 2013) and SFAS No. 66 (revised 2015) and related to the presentation of Government's electricity subsidy:

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**56. PENYAJIAN KEMBALI LAPORAN KEUANGAN
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**56. RESTATEMENT OF THE FINANCIAL
STATEMENTS (continued)**

	Jumlah sebelum penyesuaian/ <i>Balance before adjustment</i>	Penyesuaian/ <i>Adjustment</i>	Reklasifikasi karena PSAK 66/ <i>Reclassification due to SFAS 66</i>	Reklasifikasi/ <i>Reclassification</i>	Jumlah setelah penyesuaian/ <i>Balance after adjustment</i>	
	<i>31 Desember/ December 31, 2014</i>	<i>PSAK 24/ SFAS 24</i>	<i>SFAS 66</i>		<i>31 Desember/ December 31, 2014</i>	
<u>Laporan posisi keuangan konsolidasian</u>						
<i>Consolidated statement of financial position</i>						
Aset tidak lancar						<i>Non-current assets</i>
Investasi pada entitas asosisasi	2.318.945	-	(1.014.234)	-	1.304.711	<i>Investment in associates</i>
Investasi pada ventura bersama	253.648	-	1.014.234	-	1.267.882	<i>Investment in joint ventures</i>
Aset pajak tangguhan	2.899.848	3.789.133	-	-	6.688.981	<i>Deferred tax assets</i>
Liabilitas jangka panjang						<i>Non-current liabilities</i>
Liabilitas imbalan pasca-kerja karyawan	25.922.391	15.156.544	-	-	41.078.935	<i>Post-employment benefits obligation</i>
Ekuitas						<i>Equity</i>
Saldo laba - tidak ditentukan penggunaannya	46.814.284	123.685	-	-	46.937.969	<i>Retained earnings - unappropriated</i>
Penghasilan komprehensif lain	-	(11.491.096)	-	-	(11.491.096)	<i>Other comprehensive income</i>
<u>Laporan laba rugi dan penghasilan komprehensif lainnya konsolidasian</u>						
<i>Consolidated statements of profit of loss and other comprehensive income</i>						
Pendapatan usaha:						<i>Revenues:</i>
Subsidi listrik Pemerintah	99.303.250	-	-	(99.303.250)	-	<i>Government's electricity subsidy</i>
Beban usaha:						<i>Operating expenses:</i>
Kepegawaian	15.749.478	896.319	-	-	16.645.797	<i>Personnel</i>
Laba usaha	45.811.221	(896.319)	-	-	44.914.902	<i>Operating income</i>
Pendapatan/(beban) lain-lain:						<i>Other income (charges):</i>
Subsidi listrik Pemerintah	-	-	-	99.303.250	99.303.250	<i>Government's electricity subsidy</i>
Laba sebelum pajak	15.900.388	(896.319)	-	-	15.004.069	<i>Income before tax</i>
Beban pajak	(4.158.778)	224.079	-	-	(3.934.699)	<i>Tax expense</i>
Laba tahun berjalan	11.741.610	(672.240)	-	-	11.069.370	<i>Income for the year</i>
<u>Penghasilan komprehensif lain periode berjalan</u>						
<i>Other comprehensive income for the period</i>						
Pos-pos yang tidak akan direklasifikasi ke laba rugi						<i>Items that will not be subsequently reclassified</i>
Kerugian aktuarial	-	(4.871.902)	-	-	(4.871.902)	<i>Actuarial loss</i>
Manfaat pajak terkait	-	1.217.975	-	-	1.217.975	<i>Related income tax benefits</i>
Laba per saham dasar/dilusian (Dalam Rupiah penuh)	253.833	(14.551)	-	-	239.282	<i>Basic/diluted earning per share (In full Rupiah Amount)</i>

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57. PERISTIWA SETELAH TANGGAL NERACA

- (i) Pada tanggal 25 Januari 2016, melalui Surat Menteri Badan Usaha Milik Negara Republik Indonesia No. S-82/MBU/01/2016, telah disetujui Penambahan Penyertaan Modal Negara Republik Indonesia sebesar 9.468.627 lembar saham dengan nilai Rp 9.468.627 juta, sehingga modal ditempatkan/diseter Perusahan menjadi Rp 55.666.007 juta. Sejumlah 4.468.627 juta direklasifikasi dari tambahan modal diseter dan kas sejumlah Rp 5.000.000 juta telah diterima secara kas di tahun 2015.
- (ii) Anggaran dasar Perusahaan diubah pada tanggal 22 Pebruari 2016 sesuai akta notaris No. 12 dari Lenny Janis Ishak, S.H., notaris di Jakarta, tentang peningkatan modal dasar menjadi Rp 204.000.000 juta dan peningkatan sejumlah Rp 9.468.627 juta atas modal ditempatkan dan diseter. Akta perubahan tersebut telah diterima dan dicatat oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia sesuai surat No. AHU-AH.01.03-0029081 tanggal 7 Maret 2016.
- (iii) Pada tanggal 21 Maret 2016, Perusahaan menghadapi gugatan perbuatan melawan hukum yang termasuk dalam gugatan *Class Action* di Pengadilan Negeri Tanjung Karang, Lampung sehubungan dengan pemadaman listrik di Wilayah Lampung. Nilai tuntutan ganti rugi atau gugatan sebesar Rp 100.000 juta.
- (iv) Pada tanggal 25 April 2016, Perusahaan menghadapi gugatan yang diajukan oleh Ny. Halimah (binti Sairih) dkk. sehubungan dengan sengketa tanah PLTGU Muara Tawar seluas 21.160 m². Nilai gugatan sebesar Rp 52,9 miliar. Gugatan ini telah dicabut Penggugat pada tanggal 5 September 2016 di Pengadilan Negeri Jakarta Selatan.
- (v) Pada tanggal 24 Mei 2016, berdasarkan SK Menteri BUMN Republik Indonesia No. SK-106/MBU/05/2016, Hasan Bisri diangkat sebagai Pelaksana Tugas ("PLT") Komisaris Utama menggantikan Kuntoro Mangkusubroto.
- (vi) Pada bulan Juni 2016, Perusahaan telah melunasi obligasi PLN VIII seri A dan Ijarah I tahun 2006 sebesar Rp 1.535.100 juta.
- (vii) Pada tanggal 28 Juli 2016, berdasarkan Keputusan Dewan Komisaris PT PLN (Persero) No. 19/SK/DK-PLN/2016, Achmad Wahyudi diangkat sebagai Anggota Komite Audit pada Dewan Komisaris PT PLN (Persero).

57. SUBSEQUENT EVENTS

- (i) Based on the Minister of State Owned Enterprises Letter No. S-82/MBU/01/2016 dated January 25, 2016, the Minister of State Owned Enterprises approved the Company's additional Government's equity participation of 9,468,627 shares in the amount of Rp 9,468,627 million, increasing the Company's subscribed and paid-up capital to Rp 55,666,007 million. An amount of Rp 4,468,627 million was reclassified from additional paid-in capital and cash amounting to Rp 5,000,000 million has been received in 2015.
- (ii) The articles of association of the Company were amended on February 22, 2016 by notarial deed No. 12 of Lenny Janis Ishak, S.H., notary in Jakarta, regarding the increase of the Company's authorized capital to Rp 204,000,000 million and increase of Rp 9,468,627 million of subscribed and paid up capital. This change was received and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia based on letter No. AHU-AH.01.03-0029081 dated March 7, 2016.
- (iii) On March 21, 2016, the Company faced unlawful acts suit which categorized as *Class Action* suit in the District Court of Tanjung Karang, Lampung relating to the Power outage in Lampung. The amount of the claim is Rp 100,000 million.
- (iv) On April 25, 2016, the Company faced unlawful act from Mrs. Halimah binti Sairih and co-claimants relating to disputes regarding 21,160 m² PLTGU Muara Tawar land. The amount of the claim is Rp 52.9 billion. This suit has been revoked by the Plaintiff on September 5, 2016 at the South Jakarta Court.
- (v) On May 24, 2016, based on the Decision Letter of MSOE of the Republic of Indonesia No. SK-106/MBU/05/2016, Hasan Bisri was appointed as Tasks Executor ("PLT") of President Commissioner to replace Kuntoro Mangkusubroto.
- (vi) In June 2016, the company fully paid bond PLN VIII series A dan Ijarah I year 2006 amounted to Rp 1,535,100 million.
- (vii) On July 28, 2016, based on the Decision Letter of Commissioners of PT PLN (Persero) No. 19/SK/DK-PLN/2016, Achmad Wahyudi was appointed as Member of Audit Committee in Board of Commissioners of PT PLN (Persero).

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**57. PERISTIWA SETELAH TANGGAL NERACA
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- (viii) Pada bulan Oktober 2016, Perusahaan telah melunasi obligasi terjamin tahun 2006 sebesar US\$ 550.000.000 (ekuivalen sebesar Rp 7.174.510 juta).
- (ix) Pada bulan November 2016, Perusahaan telah menerima beberapa Surat Ketetapan Pajak Kurang Bayar ("SKPKB") atas berbagai Pajak Penghasilan ("PPH") tahun 2013 sebesar Rp 3.319.660 juta. Atas SKPKB tersebut, Perusahaan telah melakukan pemindahbukuan dari pajak dibayar dimuka atas PPh 25/29 sebesar Rp 690.012 juta. Perusahaan telah mengajukan keberatan atas SKPKB tersebut pada bulan Pebruari 2017, DJP menolak keberatan tersebut dan Perusahaan mengajukan banding atas keputusan keberatan. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian ini, Perusahaan masih menunggu hasil keputusan Pengadilan Pajak.
- (x) Pada tanggal 30 Desember 2016, Perusahaan telah menerima tambahan modal disetor secara tunai sebesar Rp 23.560.000 juta sesuai dengan PP No. 91 Tahun 2016 tentang penambahan penyertaan modal negara Republik Indonesia ke dalam modal saham Perusahaan.
- (xi) Pada bulan Januari 2017, Perusahaan telah melunasi obligasi PLN XI tahun 2010 seri A sebesar Rp 920.000 juta dan sukuk ijarah PLN IV tahun 2010 seri A sebesar Rp 130.000 juta yang jatuh tempo pada tanggal 12 Januari 2017.
- (xii) Pada bulan Januari 2017, Perusahaan telah melakukan penarikan pinjaman senilai Rp 5.601.926 juta untuk fasilitas Pinjaman Perusahaan 2016 dari Bank Mandiri.
- (xiii) Pada tanggal 9 Januari 2017, Perusahaan telah melakukan penarikan pertama pinjaman IBRD 86100ID. Jumlah penarikan adalah sebesar US\$ 107.650.000. Pinjaman ini sebelumnya telah dinyatakan efektif sejak tanggal 18 November 2016 berdasarkan surat dari World Bank no.CD-254/WB/XI/2016.

57. SUBSEQUENT EVENTS (continued)

- (viii) In October 2016, the Company paid guaranteed notes issued in 2006 amounted to US\$ 550,000,000 (equivalent of Rp 7,174,510 million).
- (ix) In November 2016, the Company received several tax assessment letters for underpayment ("SKPKB") for various income tax ("PPH") for fiscal year 2013 amounting to Rp 3,319,660 million. For those SKPKB, the Company has partly overbooking from prepaid tax for income tax art 25/29 amounted to Rp 690,012 million. The Company has submitted objection letter for those SKPKB on February 2017, DGT has rejected those objection and the Company has submitted appeal for the objection result. As of the date of the issuance of consolidated financial statements, the Company still waiting the results from Tax Court.
- (x) On December 30, 2016, the Company already received additional paid up capital in cash amounted to Rp 23,560,000 million based on GR No. 91 year 2016 about additional paid up in capital of Republic of Indonesia into company's capital stocks.
- (xi) In January 2017, the Company has fully repaid the PLN XI Bonds 2010 series A amounting to Rp 920,000 million and sukuk ijarah PLN IV 2010 series A amounting to Rp 130,000 million which were do on January 12, 2017.
- (xii) In January 2017, the Company made withdrawals amounting to Rp 5,601,926 million for Corporate Loan 2016 facility from Bank Mandiri.
- (xiii) On January 9, 2017, the Company has performed its first withdrawal of loan IBRD 86100ID. The withdrawal was amounting to US\$ 107,650,000. This loan has previously been declared effective since November 18, 2016 based on the letter from World Bank no.CD-254/WB/XI/2016.

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(xiv) Pada tanggal 10 Januari 2017, Perusahaan menandatangani perjanjian penjualan bertahap dengan Islamic Development Bank ("IDB") dimana IDB berpartisipasi dalam pendanaan Proyek Peningkatan Jaringan Listrik ("Proyek") dengan cara mendanai pembelian atas peralatan tertentu ("Aset"). Berdasarkan perjanjian ini, IDB menyediakan pendanaan melalui penjualan bertahap yang jumlahnya tidak melebihi US\$ 330.000.000 dan penjualan Aset kepada Perusahaan dimana IDB menunjuk Perusahaan sebagai agen untuk melaksanakan Proyek dan pembelian Aset. Pencairan dana dapat dilakukan dalam tiga tahun sejak pencairan pertama ("Periode Pembangunan"). Biaya modal akan ditentukan oleh IDB berdasarkan jumlah pencairan sampai dengan akhir masa pelaksanaan proyek atau pada saat penjualan terjadi ditambah suku bunga mengambang dari US\$ LIBOR enam bulanan +1,3%.

(xv) Pada tanggal 27 Februari 2017, berdasarkan keputusan pemegang saham secara sirkuler IP, PJB dan IP sepakat untuk membentuk entitas anak yang ruang lingkup kegiatan utamanya bergerak dibidang penyediaan suku cadang pembangkitan tenaga listrik dengan modal dasar sebesar Rp 600.000 juta. PJB akan menempatkan modal sebesar Rp 76.500 juta dan IP sebesar Rp 73.500 juta.

(xvi) Rionald Silaban sebagai anggota Dewan Komisaris diangkat berdasarkan SK Menteri BUMN Republik Indonesia No. SK-41/MBU/02/2017 tanggal 28 Februari 2017.

(xvii) Pada tanggal 10 Maret 2017, Perusahaan menandatangani perjanjian pinjaman sindikasi dengan Japan Bank for International Cooperation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Australia and New Zealand Banking Group Limited dan Mizuho Bank, Ltd sebesar US\$ 37.230.000 dan JPY 15.449.450.242 untuk pendanaan proyek Muara Karang Combined Cycle Power Plant.

(xviii) Pada tanggal 30 Maret 2017, Perusahaan menandatangani pinjaman bank dengan sindikasi Mitsui Banking Corporation Singapore Branch dan The Bank of Tokyo – Mitsubishi UFJ cabang Jakarta senilai US\$ 73.324.250 yang akan digunakan untuk pendanaan PLTA Jatigede.

57. SUBSEQUENT EVENTS (continued)

(xiv) On January 10, 2017 the Company entered into an installment sale agreement with Islamic Development Bank ("IDB") in which IDB participate in the financing of the Power Grid Enhancement Project (the "Project") by financing the purchase of certain equipments (the "Asset"). Under this agreement, IDB provide the financing of the Asset through installment sale for an amount not exceeding US\$ 330,000,000 and the sale of the Asset to the Company in which IDB appointed the Company as its agent for implementing the Project and purchasing the Asset. The disbursements are made available until three years since the first disbursement (the "gestation period"). The capital cost will be determined by IDB based on the total disbursements at the end of the gestation period or the time of sale plus a floating mark up rate of US\$ LIBOR six months +1,3%.

(xv) Based on IP shareholder circular decision dated February 27, 2017, PJB and IP agreed to establish a subsidiary which main activities to provide spare parts for power plant with authorized capital amounted to Rp600,000 million. PJB and IP will subscribe paid up capital amounting to Rp 76,500 million and Rp 73,500 million, respectively.

(xvi) Rionald Silaban was appointed as Commissioner based on the Decision Letter of the MSOE of the Republic of Indonesia No. SK-41/MBU/02/2017 dated February 28, 2017.

(xvii) On March 10, 2017, the Company entered into a syndicated loan agreement with Japan Bank for International Cooperation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Australia and New Zealand Banking Group Limited and Mizuho Bank, Ltd amounting to US\$ 37,230,000 and JPY 15,449,450,242 to finance the Muara Karang Combined Cycle Power Plant Project.

(xviii) On March 30, 2017, the Company signed bank loan agreement with syndication Mitsui Banking Corporation Singapore Branch and The Bank of Tokyo Mitsubishi UFJ Jakarta Branch amounting to US\$ 73,324,250 which will be used for financing PLTA Jatigede.

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(xix) Perusahaan telah melakukan pembayaran utang pajak dan uang tebusan kepada Kas Negara sebesar Rp 3.692.632 juta dan Rp 2.349 juta dalam rangka keikutsertaan dalam Pengampunan Pajak. Perusahaan telah menerima Surat Keterangan Pengampunan Pajak No. KET-295/PP/WPJ.19/2007 tanggal 4 April 2017 dari Menteri Keuangan Republik Indonesia.

**58. TANGGUNG JAWAB MANAJEMEN DAN
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Penyusunan dan penyajian wajar laporan keuangan konsolidasian merupakan tanggung jawab manajemen, dan telah disetujui oleh Direksi untuk diterbitkan pada tanggal 26 April 2017.

57. SUBSEQUENT EVENTS (continued)

(xix) *The Company has made payments for tax payables and compensation to State Treasury amounting to Rp 3,692,632 million and Rp 2,349 million, respectively in order to the Company's participation in Tax Amnesty. The Company has receive Tax Amnesty Approval Letter No. KET-295/PP/WPJ.19/2007 dated April 4, 2017 from the Minister of Finance of the Republic of Indonesia.*

**58. MANAGEMENT'S RESPONSIBILITY AND
APPROVAL OF THE CONSOLIDATED
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The preparation and fair presentation of the consolidated financial statements were the responsibilities of management, and were approved by the Directors and authorized for issue on April 26, 2017.

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