

Bank menyadari bahwa pengelolaan Perusahaan di pengaruhi oleh beberapa hal antara lain penerapan prudential banking practices dan manajemen risiko secara konsisten serta bekerja berdasarkan prinsip-prinsip Good Corporate Governance (GCG).

Sebagaimana diatur dalam Peraturan Otoritas Jasa Keuangan No. 4/POJK.03/2016 dan Surat Edaran Bank Indonesia No. 13/24/DPNP tentang Penilaian Tingkat Kesehatan Bank Umum, bank umum diwajibkan melakukan penilaian sendiri atas tingkat kesehatan Bank dengan menggunakan pendekatan Risiko (*Risk-based Bank Rating/RBBR*) baik secara individual maupun secara konsolidasi, dengan cakupan penilaian meliputi faktor-faktor sebagai berikut: Profil Risiko (*Risk Profile*), Good Corporate Governance (*GCG*), Rentabilitas (*Earnings*) dan Permodalan (*Capital*) untuk menghasilkan Peringkat Komposit Tingkat Kesehatan Bank.

Penilaian sendiri atas penerapan GCG merupakan penilaian terhadap kualitas manajemen Bank atas pelaksanaan prinsip-prinsip GCG berdasarkan Peraturan Bank Indonesia tentang Pelaksanaan GCG bagi Bank Umum, yang terdiri dari transparansi, akuntabilitas, dapat dipertanggungjawabkan, independen dan kejujuran.

Berdasarkan Surat Edaran Bank Indonesia No.15/15/DPNP, selama tahun 2016 Bank telah melakukan penilaian sendiri atas pelaksanaan GCG sesuai periode penilaian Tingkat Kesehatan Bank yaitu untuk posisi akhir Juni dan Desember.

Penilaian dilakukan terhadap kecukupan dan efektivitas pelaksanaan prinsip GCG yang dilakukan secara komprehensif dan terstruktur atas kriteria/indikator yang ditetapkan oleh Bank Indonesia, sebagai berikut :

1. Pelaksanaan tugas dan tanggung jawab Dewan Komisaris
2. Pelaksanaan tugas dan tanggung jawab Direksi
3. Kelengkapan dan pelaksanaan tugas Komite
4. Penanganan benturan kepentingan

The Bank is aware that management of the Company is influenced by several factors, among others, consistent application of prudential banking practices and risk management and working based on Good Corporate Governance (GCG) principles.

As regulated in the Otoritas Jasa Keuangan Regulation No. 4/POJK.03/2016 and Bank Indonesia Circular Letter No. 13/24/DPNP concerning Self-Assessment of Commercial Bank Soundness Level, commercial banks are required to conduct self-assessment over the banks' soundness level by using Risk based approach (Risk Based Bank Rating/RBBR) both on individual or consolidated basis, covering assessment of the following factors: Risk Profile, Good Corporate Governance, Earnings and Capital to get the Composite Rating of Bank Soundness.

Self-assessment over the implementation of GCG is an assessment over the Bank's management quality in the implementation of GCG principles based on Bank Indonesia Regulation pertaining the Implementation of GCG for Commercial Banks, consisting of transparency, accountability, responsibility, independency and fairness.

Based on Bank Indonesia Circular Letter No.15/15/DPNP, during the year 2016 the Bank has conducted self-assessment over the GCG implementation in accordance with the Bank's Soundness Level period i.e. for the position at the end of June and December.

The assessment was conducted over the adequacy and effectiveness of the GCG principles implementation that is conducted in a comprehensive and structured manner upon criteria/indicators determined by Bank Indonesia as follows :

1. Implementation of the Board of Commissioners' duties and responsibilities
2. Implementation of the Board of Directors' duties and responsibilities
3. The completeness and implementation of the Committee's duties
4. The handling of conflict of interests

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| 5. Penerapan fungsi kepatuhan bank | 5. The implementation of Bank's compliance function |
| 6. Penerapan fungsi audit intern | 6. The implementation of internal audit function |
| 7. Penerapan fungsi audit ekstern | 7. The implementation of external audit function |
| 8. Penerapan manajemen risiko termasuk sistem pengendalian intern | 8. The implementation of risk management including internal control system |
| 9. Penyediaan dana kepada pihak terkait dan penyediaan dana besar | 9. The provision of funds to related parties and large exposure |
| 10. Transparansi kondisi keuangan dan non keuangan, laporan pelaksanaan GCG dan pelaporan internal | 10. Transparency of financial and non-financial conditions, report on GCG implementation and internal reporting |
| 11. Rencana strategis Bank | 11. The Bank's strategic plan |

Dalam melakukan penilaian, Bank mengelompokkan penilaian ke dalam 3 (tiga) aspek tata kelola (*governance*), yaitu *governance structure*, *governance process* dan *governance outcome*.

Berdasarkan penilaian yang dilakukan terhadap 11 (sebelas) kriteria/indikator diatas, Bank menyimpulkan faktor positif dan negatif dari masing-masing aspek tata kelola (*governance*).

Untuk periode akhir Juni dan Desember 2016, peringkat GCG Bank adalah 2 (dua) atau setara dengan peringkat **"Baik"**.

Penerapan Tata kelola Terintegrasi

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

Berdasarkan penunjukan dari Mizuho Bank, Ltd selaku pemegang saham pengendali, PT Bank Mizuho Indonesia telah ditunjuk sebagai Entitas Utama dalam Konglomerasi Keuangan dan PT Mizuho Balimor Finance (MBF) sebagai anggota.

Dalam menerapkan Tata Kelola Terintegrasi, Bank selaku Entitas Utama telah menunjuk Direktur

In conducting the assessment, the Bank classified assessment into 3 (three) governance aspects i.e. *governance structure*, *governance process* and *governance outcome*.

Based on assessment conducted over the above 11 (eleven) criteria/indicators, the Bank concluded the positive and negative factors of each governance aspect.

For the period of end of June and December 2016, the GCG rating of the Bank is 2 (two) or equivalent to the level of **"Good"**.

Implementation of Integrated Governance Practices

In framework of supporting integrated risk-based supervision, in the context of financial conglomeration the Bank shall apply Integrated Governance in accordance with the Regulation of the Financial Services Authority (POJK) No. 18/POJK.03/2014 pertaining the Implementation of Integrated Governance in Financial Conglomeration.

Based on the appointment by Mizuho Bank, Ltd as controlling shareholder, PT Bank Mizuho Indonesia has been appointed as the Main Entity and PT Mizuho Balimor Finance (MBF) as member in the Financial Conglomeration.

In implementing Integrated Governance Practices, the Bank as the Main Entity has appointed the Main

Utama dari Entitas Utama sebagai Direktur yang melakukan fungsi pengawasan pada Entitas Utama dan Anggota Konglomerasi Keuangan dan Direktur Kepatuhan Entitas Utama sebagai Direktur yang bertanggung jawab atas fungsi kepatuhan entitas utama dan penerapan Tata Kelola Terintegrasi dalam Konglomerasi Keuangan.

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

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

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

Anggota Komite Tata Kelola Terintegrasi Bank terdiri atas:

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

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

Bank juga telah menyusun pedoman dalam Tata Kelola Terintegrasi yang mencakup, antara lain,

Entity's President Director as Director who shall perform supervisory function at the Main Entity and member of Financial Conglomeration and the Main Entity's Compliance Director as Director who shall be responsible for the Main Entity's compliance function and apply Integrated Governance Practices in Financial Conglomerate.

In addition to the Main Entity's Board of Directors, the Bank has also appointed the Main Entity's Board of Commissioners to be responsible for supervising the implementation of Governance at each member of financial conglomeration and the responsibilities of the Main Entity's Board of Directors over the implementation of Integrated Governance Guidelines.

In performing its duties, the Board of Commissioners is required to form an Integrated Governance Committee.

As a Main Entity the Bank has formed an Integrated Governance Committee which is responsible for evaluating the implementation and improving the application of Integrated Governance Practices within Financial Conglomeration. Also, the Bank has appointed the Integrated Governance Committee's Chairman (who also doubles as a member) i.e. an Independent Commissioner who is a Chairman of one of the Main Entity's Committees.

Members of the Integrated Governance Committee consist of:

- a. Independent Commissioner who represents and is appointed from members of financial conglomeration to become member of the Integrated Governance Committee; and
- b. Independent Party, which comes from an independent party, member of existing Committee of the Bank as the Main Entity.

In performing its duties, the Bank as the Main Entity, has appointed the Main Entity's Compliance Working Unit and Internal Audit Working Unit as Working Units that shall carry out the functions of Integrated Compliance Working Unit and Integrated Internal Audit Working Unit.

The Bank has also established guidelines in Integrated Governance Practices which include,

Kerangka Tata Kelola Terintegrasi Bagi Bank selaku Entitas Utama dan Kerangka Tata Kelola bagi PT Mizuho Balimor Finance selaku anggota dalam Konglomerasi Keuangan.

Bank telah melakukan penilaian pelaksanaan Tata Kelola Terintegrasi yang didasarkan atas hasil penilaian sendiri (self-assessment) untuk bulan Juni dan Desember 2016 dan telah disampaikan kepada OJK, dengan hasil penilaian masing-masing adalah 2 (dua) atau setara dengan peringkat **"Baik"**.

Selain itu Bank selaku Entitas Utama juga akan melaksanakan kewajiban untuk menyusun laporan tahunan pelaksanaan Tata Kelola Terintegrasi dan disampaikan kepada OJK serta akan dipublikasikan pada home page Bank paling lambat 4 bulan sejak tahun buku berakhir.

among others, Integrated Governance Framework for the Bank as Main Entity and Integrated Governance Framework for PT Mizuho Balimor Finance as member of Financial Conglomeration.

The Bank has conducted assessment over the implementation of Integrated Governance based on the results of self-assessment for period end of June and end of December 2016, and results of the assessment have been submitted to the OJK, where respectively the result of the assessment is 2 (two) or equivalent to the predicate **"Good"**.

In addition, the Bank as Main Entity shall also carry out obligation to prepare annual report on the implementation of Integrated Governance and submit it to the OJK, and publish it on the Bank's home page no later than 4 months after the end of the fiscal year.