

**TOTAL EXPOSURE IN LEVERAGE RATIO
PT BANK COMMONWEALTH
AS OF 30 SEPTEMBER 2020**

(in Millions Rupiah)

No	Description	Balance
1	Total assets in Published Statements of Financial Position (gross amount before allowance for impairment losses)	22,517,303
2	Adjustment for investment in banking, financial, insurance, and/or other entities that are consolidated based on financial accounting standards but outside the consolidation scope based on the Financial Services Authority regulation	-
3	Adjustment for the value of the underlying set of financial assets that have been transferred in asset securitization that meet the requirements of sell-off as stipulated in the Financial Services Authority Regulation concerning the precautionary principle in asset securitization activities for conventional banks. In the event that the underlying financial assets have been deducted from the total assets on the Statements of Financial Position, the number in this line is 0 (zero)	-
4	Adjustment for temporary exemption of current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any)	N/A
5	Adjustment for fiduciary assets recognised on the Statements of Financial Position based on financial accounting standards but excluded from the total exposure calculation in Leverage Ratio	N/A
6	Adjustment for regular-way purchases and sales of financial assets using trade date accounting method	(31,648)
7	Adjustment for eligible cash pooling transactions as regulated in this Financial Services Authority regulation	-
8	Adjustment for Derivative transaction exposure	12,192
9	Adjustment for Securities Financing Transactions (SFT) exposure, i.e. reverse repo	-
10	Adjustment for Off-Balance Sheet exposure after multiplied with Credit Conversion Factor (CCR)	226,604
11	Adjustment for prudential valuation in the form of capital deduction factors and allowance for impairment losses	(947,238)
12	Other adjustments	-
13	Total Exposure in Leverage Ratio calculation	21,777,213

Qualitative Analysis

Total exposure in leverage ratio calculation was amounted to IDR 21,777 billion, lower by IDR 341 billion as compared to total assets in on balance sheets which amounted to IDR 22,118 billion. This is mainly driven by adjustment of capital deduction factors by IDR 546 billion (i.e. intangible assets and deferred tax assets) which are excluded from leverage ratio calculation, compensated with additional exposure from off balance sheets by IDR 225 billion (net after CCR and allowance for impairment losses).

**LEVERAGE RATIO CALCULATION
PT BANK COMMONWEALTH
AS OF 30 SEPTEMBER 2020**

(in Millions Rupiah)

No	Description	Period	
		30-Sep-20	30-Jun-20
Asset Exposures in Statements of Financial Position			
1	Asset exposures in Statements of Financial Position including collateral assets, but excluding derivative transactions and SFT exposures (gross amount before allowance for impairment losses)	21,785,104	21,251,194
2	Gross-up for derivatives collateral provided to the counterparties which result in decreased total assets exposure in balance sheet due to the financial accounting standard implementation	-	-
3	(Deduction of receivable assets for cash variation margin provided in derivative transactions)	-	-
4	(Adjustment for carrying amount securities received under SFT exposure that are recognised as an asset)	-	-
5	(Allowance for impairment losses on assets based on financial accounting standard)	(399,625)	(439,727)
6	(Asset that are taken into account as Tier I capital deduction factor referred to the Financial Services Authority regulation concerning minimum capital requirement for conventional banks)	(545,951)	(560,275)
7	Total Asset Exposures in Statements of Financial Position	20,839,528	20,251,192
Derivative Transaction Exposures			
8	Replacement cost associated with all derivative transactions, both in the case of eligible cash variation margin or netting-off agreement that meet certain requirements	66	2,971
9	Add-on amounts for PFE associated with all derivative transactions	12,173	11,330
10	(Exemption on derivative transactions exposure that are settled through CCP)	N/A	N/A
11	Adjustment for effective notional amount from credit derivatives	-	-
12	(Adjustment for effective notional amount offsets and add-on deductions for credit derivatives sales transactions)	-	-
13	Total Derivative Transaction Exposures	12,239	14,301
Securities Financing Transaction (SFT) Exposures			
14	Gross carrying amount of SFT assets	700,504	774,153
15	(Netted amounts of cash payables and cash receivables)	-	-
16	Counterparties credit risk for SFT assets referred to current exposure calculation as regulated in the attachment of this Financial Services Authority regulation	-	-
17	Agent transaction exposures	-	-
18	Total SFT Exposures	700,504	774,153
Off Balance Sheets Exposures			
19	Outstanding all commitment and contingency liabilities at gross amount, before allowance for impairment losses	2,151,906	2,262,936

No	Description	Period	
		30-Sep-20	30-Jun-20
20	(Adjustment for credit conversion factors)	(1,925,302)	(2,024,636)
21	(Allowance for impairment loss on Off Balance Sheets in accordance with financial accounting standard)	(1,662)	(2,003)
22	Total Off Balance Sheets Exposures	224,942	236,297
Capital and Total Exposure			
23	Tier 1 Capital	3,348,711	3,274,244
24	Total Exposure	21,777,213	21,275,943
Leverage Ratio			
25	Leverage Ratio, including the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any)	15.38%	15.39%
25a	Leverage Ratio, excluding the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any)	15.38%	15.39%
26	Minimum Leverage Ratio requirement	3%	3%
27	Leverage Ratio buffer	N/A	N/A
Disclosure of Average Balance			
28	Average balance of gross carrying amount of SFT assets, after adjustment for sales accounting transactions that are calculated on a net with cash payables in SFT and cash receivables in SFT during the quarter	554,622	234,497
29	Outstanding balance of gross carrying amount of SFT assets, after adjustment for sales accounting transactions that are calculated on a net with cash payables in SFT and cash receivables in SFT as of end of quarter	700,504	774,153
30	Total exposure, including the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any), taken into account average balance of gross carrying amount of SFT assets as mentioned in row 28	21,631,331	20,736,287
30a	Total exposure, excluding the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any), taken into account average balance of gross carrying amount of SFT assets as mentioned in row 28	21,631,331	20,736,287
31	Leverage Ratio, including the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any), taken into account average balance of gross carrying amount of SFT assets as mentioned in row 28	15.48%	15.79%
31a	Leverage Ratio, excluding the impact of temporary exemption on current accounts with Bank Indonesia in order to fulfill the minimum reserve requirements (if any), taken into account average balance of gross carrying amount of SFT assets as mentioned in row 28	15.48%	15.79%
Qualitative Analysis			

No	Description	Period	
		30-Sep-20	30-Jun-20
	<p>1. The Leverage Ratio as of 30 September 2020 is at 15.38%, far above the minimum requirement ratio of 3%. The Leverage Ratio as of 30 September 2020 is slightly lower compared to the Leverage Ratio as of 30 June 2020 at 15.39%, where both tier 1 capital and total exposures increased. The increase in tier 1 capital is inline with net profit during the third quarter of 2020, while the increase in total exposure is mainly driven by increasing of placement with BI and marketable securities, compensated with decreasing of total loans and placement with other banks.</p> <p>2. If using the daily average balance of SFT, the leverage ratio is higher, which is at 15.48%, inline with lower average balance of SFT exposure (reverse repo) during the third quarter of 2020.</p>		