

INTEREST RATE RISK IN THE BANKING BOOK MANAGEMENT IMPLEMENTATION REPORT

Bank Name : PT Bank CTBC Indonesia (Individual)

Report Period : September 2020

Qualitative Analysis	
1	Interest rate risk stems from different sensitivity of assets and liabilities to interest rate change. The sensitivity of all on-balance sheet items to interest rate movements must be duly examined when assessing interest rate risk.
2	The Bank manages IRRBB risk management strategy through discussions in ALCO meetings by, among others, determining the Bank's Prime Lending Rate (SBDK) and FTP. IRRBB risk mitigation has been performed by the Bank by measuring and monitoring IRRBB using internal methods and has set the Bank's internal limits (1bp Δ EVE and 1bp Δ NII limits) on the measurement results according to the Bank's risk appetite and risk tolerance.
3	The Bank has conducted IRRBB measurement and has monitored IRRBB limits on a monthly basis through ALM Report reported to management and related business units. IRRBB is measured by calculating the impact of changes in 1 bp of interest rates on the Bank's NII and EVE.
4	In addition to implementing the interest rate shock scenarios set by the Regulator, the Bank has previously set an internal stress scenario for interest rates, i.e. 200 bps and 400 bps, which are stipulated in the Bank's internal policies.
5	The Bank has not calculated the commercial margin and other spread components in the cash flow and in the discounted interest rate used in the EVE calculation.
Quantitative Analysis	
1	The average of repricing maturity applied for NMD is 1 month through a monthly review at the ALCO meeting.
2	The longest repricing maturity applied for NMD is 2 years. This is based on the result of behavioral analysis of the Bank's customers through the movements of the Bank's NMD on a daily basis over the past 5 years and also taking into account the frequency of changes in the Bank's NMD interest rate.

IRRBB Report

Bank : PT Bank CTBC Indonesia (Individual)
Report Period : September 2020
Currency : All Currency

In Million Rupiah Period	ΔEVE		ΔNII	
	T	T-1	T	T-1
<i>Parallel up</i>	294,109.26	308,509.75	7,548.86	5,226.22
<i>Parallel down</i>	(379,818.09)	(393,106.35)	(7,548.86)	(5,226.22)
<i>Steepener</i>	103,841.43	106,518.17		
<i>Flattener</i>	(37,304.96)	(34,763.81)		
<i>Short rate up</i>	111,315.74	120,336.65		
<i>Short rate down</i>	(121,361.33)	(128,615.09)		
Maximum Negative Value (absolute)	379,818.09	393,106.35	7,548.86	5,226.22
Capital Tier 1 (for ΔEVE) or Projected Income (for ΔNII)	2,868,669.07	2,835,805.58	664,171.00	664,171.00
Maximum Value divided by Capital Tier 1 (for ΔEVE) or Projected Income (for ΔNII)	13.24%	13.86%	1.14%	0.79%