2014 ANNUAL REPORT

KOPERASI KASIH INDONESIA

BUILDING FOUNDATION

*"To grow big and tall,
a tree first grows its root.*

*The bigger it becomes in the future,
the more time it takes
for the root to grow.*

*Can you imagine a big, tall tree
with a weak, small root?"*

Anonymous

KKI exists to empower
millions of poor Indonesian
to exit poverty permanently;
To help them build their lives
and their generations to come.

CONTENT

Opening and Summary

LETTER FROM LEADERSHIP TEAM

April 17, 2015.

To our dearest supporters, who have channeled GOD's blessing and supporting KKI until today.

2014 was a year with a theme of "**Building Foundation**", and that's what exactly happened.

KKI in its first 3 years were more like a pilot effort trying to reach and empower significant number of poor people. But it still had weak foundation, with only 1 division, 2 managers and limited system outside operations.

After reaching 3,065 members in 2013, **we realized that to go further and empower more people we must build a stronger foundation**. Therefore, **2014 was set as the year to start building KKI foundation: People**, with special attention to the **leaders**, and **systems**.

Thus, building foundation shaped our year. When we have to choose between that and growth, we chose the latter. That is why we revised 2014's growth target, from initially 5,000 members, to 4,500, and then to 4,000.

However, **KKI's principle to always give our best, even when it looks too demanding, yielded beautiful results**. KKI reached **5,033 members and** the new loan has a fantastic 0% NPL and PAR >30 days.

On top of that, we are delighted and highly encouraged to see that the foundation has started to build:

1. **KKI promoted 3 field officers to become Vice Branch Head** for the very first time. This shows that we are able to grow leaders, the first must-have to scale in the future.
2. **The 3 new Vice Branch Heads led the satellite branches and drove growth in 4th quarter**. In the past, the strong growth was driven by KKI's founders. This shows that it can be done by our 2nd layer.
3. **KKI recruited Finance Manager as part of the Leadership Team** - the first recruit to be part of Leadership Team outside the 2 founders. This shows that KKI's vision appeals to highly talented individuals, such as Ibel, the Finance Manager who left Unilever for only 1/3 of her previous salary.

In Dec 2014, KKI was given a bonus: After being nominated to participate, against all odds, KKI was awarded **E&Y Social Entrepreneur of the Year 2014**, the youngest institution ever to receive it.

THANK YOU SO MUCH, dear KKI supporters, for all your supports and prayers throughout 2014. None of the above can be achieved without your supports and collaboration. This happiness is ours together.

As we are **looking at 2015, our 5th year**, we **focus on "Going to The Next Level**" in 3 perspectives:

- **Scaling**. KKI aims to finally open physical branches for the first time, followed by Area and Head Office.
- **Strengthening foundation: The people and the systems**. One of the plans is to grow Leadership Team from 3 to 6 managers and to establish 2 to 5 required divisions by the end of 2015.
- **Supporting member**. KKI plans to add following supports: improving loan insurance benefits, starting savings withdrawal on the field to reduce members' withdrawal cost and developing impact measurement tool.

To achieve these goals, we will work on the enablers: Raise needed funding, manage financial levers better, establish solid Board of Commissioners and Board of Advisors and learn from other institutions.

2015 will be one of our most challenging years, but we are extremely excited for it.

Nevertheless, as in previous years, **KKI will not achieve its goal to reach and empower more people without your supports**, dear KKI supporters. Therefore, we hope that you would continue supporting us, through prayers and other supports.

One day, millions of poor Indonesian will exit and leave poverty for good because of our work together, enabled by GOD.

We wish you the very best, always: Happiness, health and abundant blessings!

KKI Leadership Team

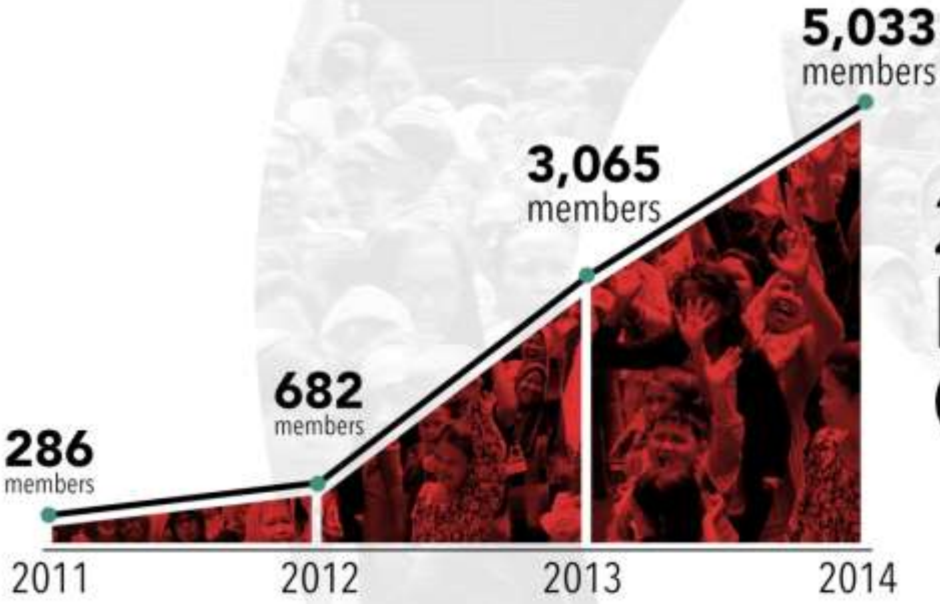
Representing KKI Team and members

2014 FACTS & FIGURES

3 Integrated Supports for members

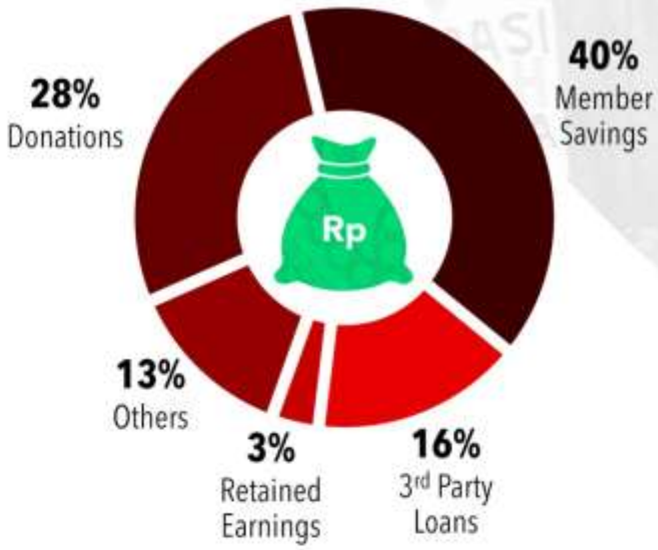
Educations | **Savings** | **Loans**

2011 - 2014 Member Growth



Sources of Funding
as of December 2014

In %; Total = IDR 4,002.8 billion



- **29** personnels (Dec 2014)
- **1,150** training sessions delivered (2011-2014)
- **1.5 billion** IDR member savings (Dec 2014)
- **15 billion** IDR total loans disbursed (2011-2014)
- **0** % Non-Performing Loan & PAR >30 days (Dec 2014)

KKI IN BRIEF (WITH LATEST STATISTICS)

KKI aims to bring hope and provide way for the poor to sustainably exit poverty. It's unique approach is spearheaded by its idealistic leaders. By October 2015 it have reached 7,482 members.

In light of the delayed release of this annual report, we would like to present the latest available figures in this brief. October 2015 statistics; "~" shows rounded number.

Establishments

- Established in **2011** by 2 friends from University of Indonesia, Faculty of Economics. They left their job at **McKinsey & Co.** and **Sinar Mas**
- 1st branch is in Cilincing, Jakarta's **poorest** district (with ~22k poor families)
- Legal entity is **cooperative**, as KKI wants to provide savings facility support

Vision & Approach

- **Vision**: To empower millions of poor Indonesian to exit poverty sustainably
- **Theory of change**: To sustainably exit poverty, poor people need more than just opportunities (e.g., loan). They also need "readiness" (e.g., mindset, knowledge)
- Hence, **KKI provides** education and savings facility, combined with micro-loans

People & Structure

- **42 personnel**: 4 at 1st layer (management), 7 at 2nd layer (supervisory) and 31 at staff level (25 field officers, 5 admin staffs and 1 HR staff)
- **4 divisions**: Operations, HR&GA, Finance and Development. IT and Internal Audit Divisions is planned to start in 4th quarter of 2015

Operational Figures

- **7,482** active members, **99%*** women
- ~**20%*** live with ≤ **USD 2**/day/person and ~**65%*** with ≤ **USD 3**/day/person
- Outstanding portfolio: **IDR ~5.3 billion**. Average loan size: **IDR ~1.4 million**
- Portfolio At Risk >30 days: **0%**. Non Performing Loan: **0%**

Financial Figures

- Total assets: **IDR 6.9 billion***
- Funding source: **36% members' savings**, **37%* 3rd party loan**, 27%* others
- **Break-even-point** reached in 2013. R/E per December 2014: **IDR ~204.5 million**

Progress & Development Plan

- **2011-2014**: KKI built its education, loan and savings systems from scratch. As a result, in the end of 2nd year it reached only <700 members. In 3rd and 4th year, KKI pushed the growth and reached 3,065 and 5,033 members, consecutively
- **2015-2030**: Empowering 1 million poor women reached by the end of 2030, 100,000 by 2020 and 8,000 by 2015
- **2015** is the year of "**Going To the Next Level**", as KKI will open branches for the first time, completing its Leadership Team and maximizing its information system

Areas for Collaboration

- **Funding**: We aim to raise **IDR 3 billion in 2015**. We invite lenders, donors and investors who share the same calling to work together with us
- **Advisors**: We will finally set up Board of Advisors. We welcome experts who are passionate about our cause to express interest to join The Board
- **Capacity-building supports**: We welcome supports to improve capacity of KKI's young management team, i.e., through mentoring, training, exposure visits

* These data are not recorded real-time. Therefore, the number used is based from conservative estimation.

TESTIMONIES

Below we share testimonies from people who have visited and supported KKI in 2014. We believe their thoughts represent other KKI supporters.

"In 2014 I visited Cilincing in North Jakarta to witness engaged and happy customers at a KKI meeting. This confirmed to me that KKI's holistic, community-building, social business approach to micro-finance lending empowers the poor to become savers to exit poverty. By changing the mindsets of the less-privileged to focus on business, education and housing goals through rigorous financial management KKI's future remains bright. Its proven social business model can, indeed, be extended throughout Indonesia to alleviate poverty.

Special recognition should go to its visionary founder, Leonardo Kamilius, an outstanding alumnus of the University of Indonesia, and to his compassionate, dedicated and professional team-mates."

Michael Shih-ta Chen
Member of Harvard Business School's Asia Pacific Advisory Board.
Visited KKI in 2014.

"We have been an active donor for KKI in the past three years. We truly believe in what KKI tries to achieve which is empowering millions of underprivileged Indonesians to exit poverty sustainably and we also believe that it is on the right track to reaching their goal. We hope to continue supporting KKI and its missions."

Principia Management Group

"Koperasi Kasih Indonesia's noble vision is the main factor that differentiates them from the rest of the institutions that provide microfinance. The organization manages to provide education to their members to enable them to improve their economy. It definitely helps its members in building their saving habit and spending their money wisely.

KKI should be an example of how a social organization should operate in helping people to exit from poverty. Looking at how KKI has grown for the past few years, I believe KKI will be able to broaden its reach to educate and empower more people."

Sahala Situmorang
Partner, E&Y Indonesia.
Led field team to KKI during E&Y Social Entrepreneur 2014 selection.

Side Story 1 - THE IDEALISM

2 KKI founders, Leon & Lucy. They left their job & earned IDR 0 & 50K/day in KKI

> *"A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history."*
>
> *Mahatma Gandhi (brainyquote.com)*

KKI team was very young, with only 2 people and 3 years of total working experience when first started. And we were so idealistic that it almost got us "killed" in this journey. But we know why we are here: **We want to see poor families, anywhere in Indonesia, exit poverty and never come back.** We kept that reason, vision and idealism, and learn to navigate things better. We believe that one day, KKI will reach poor families wherever they are in Indonesia, and within 3, 5 or 10 years, empowered them to exit poverty.

KKI's first "office".
1 room that was lent to us

2014 SUMMARY

2014's key highlights are healthy growth of almost 2,000 members with 0% Non Performing Loan and PAR > 30 days, very positive financial results and a much stronger team at the end of the year.

VARIABLES (for weekly loan only)

In number; MM = IDR million; K = IDR thousand, "~" shows rounded number

MEMBER	2012	2013	2014	Δ2014(%)
Active members (end of year)	**682**	**3,065**	**5,033**	**64%**
% of discontinued borrowers (cumulative)	40%	26%	37%	45%
% of woman (end of year)*	96%	99%	99%	0%
% live with ≤ USD 2/day/person (end of year)*	84%	40%	20%	-50%
% live with ≤ USD 3/day/person(end of year)*	98%	75%	65%	-13%
LOAN	**2012**	**2013**	**2014**	**Δ2014(%)**
Total value of disbursed loan (for the year)	~814 MM	~4,403 MM	~9,656 MM	119%
Outstanding portfolio (end of year)	~331 MM	~2,036 MM	~3,850 MM	89%
Average loan per active borrowers (end of year)	~485,000	~990,000	~1,240,000	25%
Portfolio at risk > 30 days (end of year)*	1.4%	1.7%	0%	-100%
Bad debt (unpaid >90 days, end of year)*	0.4%	0.7%	0%	-100%
FINANCIAL	**2012**	**2013**	**2014**	**Δ2014(%)**
Profit (loss) (for the year)	(~38 MM)	~62 MM	~148 MM	139%
Total assets (end of year)	~786 MM	~2,426 MM	~4,003 MM	65%
Total value of members' savings (end of year)	~144 MM	~774 MM	~1,586 MM	105%
PERSONNEL	**2012**	**2013**	**2014**	**Δ2014(%)**
Number of full-time personnel (end of year)	11	16	29	81%
Number of branch (end of year)	1	1	1	0%

3 MOST IMPACTFUL INITIATIVES DONE IN 2014

- **Intensified training and then promoted 3 field officers to become Vice Branch Head.** Having more leaders had enabled rapid member growth (60% of 2014's growth) in the 4th quarter.
- **Recruited Finance Manager (Isabella).** She led Finance Team and drove many initiatives better than ever before, including to have KKI's information system went live in October 2014.
- **Created new, trainer position, and recruited 1 person.** She freed up capacity of Operations Manager to do other things. This role is unique to KKI and shows its commitment to empower people.

* These data are not recorded real-time. Therefore, the number used is based from conservative estimation.

2014 TARGET VS. ACTUAL

Out of 20 targets, 13 were achieved, 2 were close and 5 were not achieved. Overall, it was a better performance compared to 2013. The not-achieved targets showed us the areas for improvement.

VARIABLES (for weekly loan only)

In number; B = IDR billion; MM = IDR million; "~" shows rounded number

xx% : Achieved | xx% : Close to be achieved | xx% : Not achieved

OUTREACH & SUPPORTS FOR MEMBERS	TARGET	ACTUAL	%
1. Number of branch (end of year)	2	1	50%
2. Active borrowers (end of year)	5,000	5,033	101%
3. % of discontinued borrowers (for the year)	25%	32%	128%
4. % of woman (end of year)*	99%	99%	100%
5. % live with ≤ USD 3/day/person(end of year)*	60%	65%	108%
6. Number of attendance in training (for the year)*	5,387	8,012	149%
7. Member who got Pigura Impian (for the year)*	1,891	3,438	182%
8. Member who got savings book (for the year)*	1,351	3,705	274%
INSTITUTIONAL STRENGTH	**TARGET**	**ACTUAL**	**%**
9. Employees at managerial level (end of year)	3	3	100%
10. Employees at supervisory level (end of year)	3	6	200%
11. Employees at staff level (end of year)	24	20	83%
12. Employee turnover (for the year)	40%	93%	233%
13. % of systems & SOPs developed (end of year)*	80%	50%	56%
14. MIS is running real-time (end of year)	Yes	Yes	Yes
15. Financial statements preparation (for the year)	Continuous	Semi-cont.	50%
RISK & FINANCIAL CONDITION	**TARGET**	**ACTUAL**	**%**
16. Portfolio at risk > 30 days (end of year)*	0.20%	0%	100%
17. Bad debt (unpaid >90 days, end of year)*	0.10%	0%	100%
18. Average value of disbursed loan (for the year)	1,100,000	1,206,271	110%
19. External funding raised, e.g. loan (for the year)	3 B	960 MM	32%
20. Profit (loss) condition (end of year)	~35 MM	~148 MM	419%

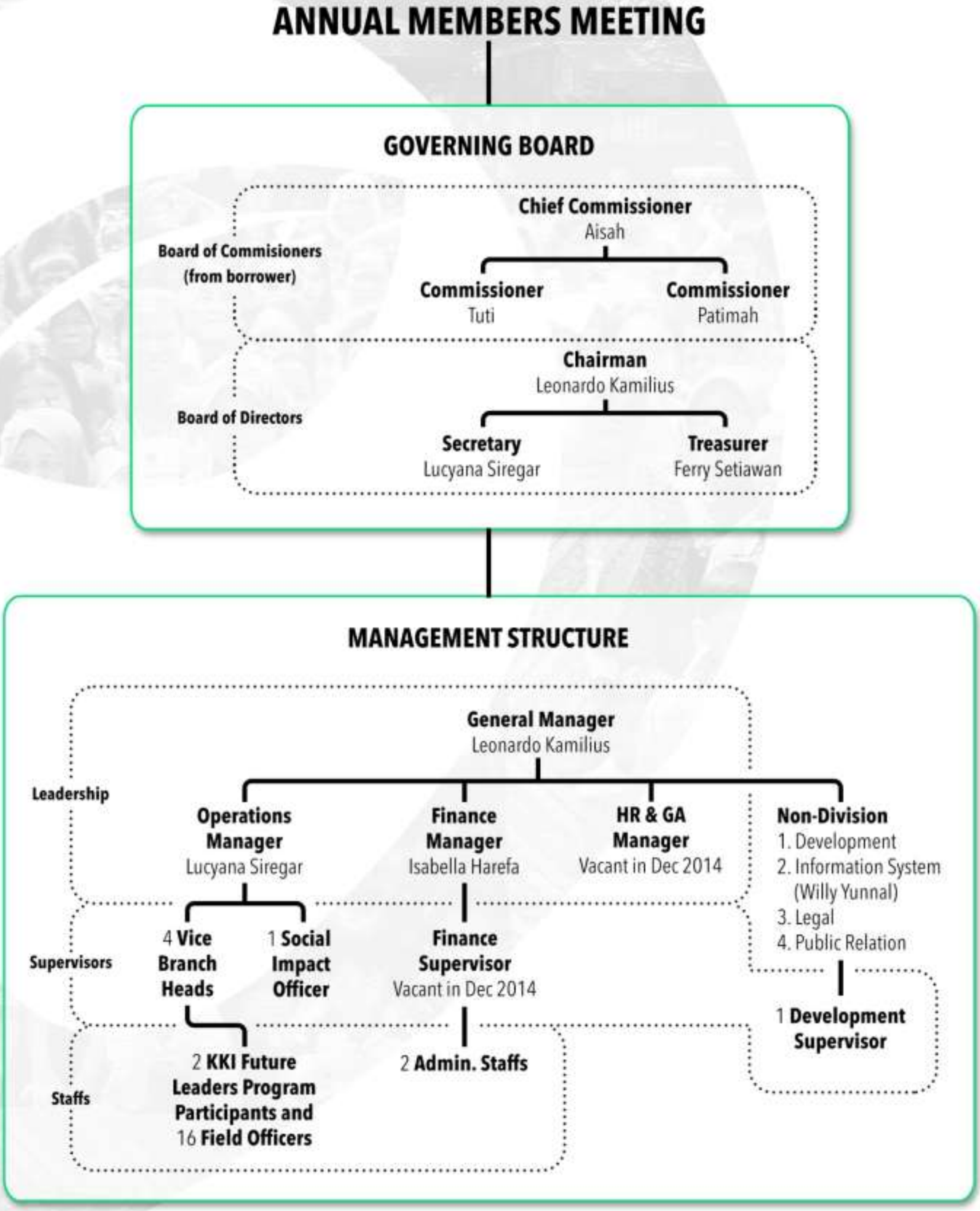
- Targets related to member growth, e.g., member growth, NPL and bad debt were well-achieved. It leads to the achievement of social (e.g., training, Frame of Dreams) and financial target (profit).
- Many targets that were not achieved were caused by deficiency of manager and supervisor, e.g., system development, financial statement development. It also affect readiness to open new branch.
- KKI was also still struggle in employee and member turnover. These two must be improved in 2015.

* These data are not recorded real-time. Therefore, the number used is based from conservative estimation.

2014: Building Strong Foundation

ORGANIZATION STRUCTURE

KKI governing board structure did not have any changes. On the management structure, Finance and HR divisions were spun-off. However, HR Manager position was still vacant until end of year.



THE TEAM

KKI team grew in both quality and quantity in 2014. Leadership Team member grew by 50% and supervisor-level by 300%. However, high personnel turnover remained as a key challenge.

COMPLETE PERSONNEL NAME AS OF DECEMBER 31, 2014

SUPERVISOR LEVEL

- Ferry Setiawan
- Sri Suryanti
- Indah Melati
- Fitrotul Hidayati
- Sari Rahmayati
- Putu A. Diva

STAFF LEVEL

- Herawaty Sihombing
- Megi Charles
- Riniwaty Panjaitan
- Siti Humayah
- Levita Sari
- Dewi Hasan
- Sri Atun
- Mita Ayu Diniati
- Desma Julinda
- Revi Fatimah
- Ardiman
- Gusti Permana
- Al-Ahyar Gunawan
- Rachmad Baydillah
- Derita Puryanti
- Elsa Mellinda
- Sekli Dahlia
- Ira Sentia
- Ira Mariana
- Lusi Noviyanti

LEADERSHIP TEAM

Finance Manager: **Isabella Harefa**

Education : Undergraduate in Accounting, University of Indonesia (2011)

Experience : Unilever, Unilever Future Leaders Program in Finance (2011-2014)

Roles : Lead Finance Division, handle accounting, MIS, administration (including insurance), tax, procurement and co-develop strategic decisions

Operations Manager: **Lucyana Siregar** (Co-founder)

Education : Master in Public Policy, University of Indonesia (expected in 2015)

Experience : Sinar Mas Land, accountant (2010)

Roles : Lead Operations Division, develop operational systems, co-develop strategic decisions, co-execute HR function (mentoring, training, salary processing)

General Manager: **Leonardo Kamilius** (Founder)

Education : Undergraduate in Accounting, University of Indonesia (2008)

Experience : McKinsey & Company, Business Analyst (2008-2011)

Roles : Lead, coordinate and support other managers, directly handle HR division, strategy & development, finance & MIS (until August), legal and external relations

PERSONNEL STATISTICS

In number unless stated otherwise

PERSONNEL STATISTICS	2012	2013	2014	Δ2014 (%)
Number of full-time personnel (end of year)	10	16	29	81%
Personnel recruited and left (for the year)	16 & 12	15 & 9	34 & 21	(net) 117%
Personnel turnover (for the year)	150%	69%	93%	**35%**
Average service duration (for the year)	112 days	189 days	156 days	**-17%**
1st & 2nd-layer personnel* (end of year)	2 & 1	2 & 1	3 & 6	300%

* 1st-layer are managers, 2nd-layer are supervisors, e.g., Branch Manager. It is a proxy of KKI's leadership capacity

SUPPORTS FOR MEMBERS

KKI continue to provide 3 integrated supports for members: Education, loan and savings facility. Together, they systematically empower our members to sustainably exit poverty.

EDUCATION: Instill needed motivation, mindset and knowledge to members

MOTIVATION & MINDSET TRAINING (free)	**Target**: Compulsory for all members, before 1st loan and then every 6 months **Goal**: Encourage members to dream, help them realize that it is possible to be achieved and share practical ways to achieve it, especially through saving
FRAME OF DREAMS (free)	**Target**: Optional, provided after Motivation & Mindset Training **Goal**: Get members and their family to determine their dreams, then put those dreams on the frame and then on their house's wall as daily reminder
EDUCATIONAL MOVIES ON SAVING (free)	**Target**: Compulsory for all, 1 DVD for 1 group **Goal**: To train members on the importance of savings in cost-effective way. 20-30% members have DVD player and the group can watch it together

LOAN: Help members to grow their business and family

(% portfolio is as of December 2014)

SEJAHTERA (99.8% of portfolio)	**Target**: Poor & low-income woman with daily income of USD 0-5 /day/person **Arrangement**: Start from IDR 500-1,500K, 30% interest/year, 4% admin fee, 7-10 people/group with weekly joint liability, paid weekly without meeting, has compulsory savings and loan insurance, repaid in 25 or 40 weeks
TUMBUH (Discontinued in March 2014)	**Target**: Poor woman with daily income of USD 0-3 /day/person **Arrangement**: Start from IDR 500-800K, 25-40% interest/year, 5% admin fee, 12-20 people/group with end-of-term joint liability, paid weekly in group meeting, has compulsory savings, repaid in 20 or 25 weeks
INDIVIDUAL (0.2% from portfolio)	For top-performing members with ≥3 loan cycles. Can be used to build or renovate house, grow business and support higher education. Start from IDR 2-6 million, 2-3% interest/month, 3% admin fee, repaid in 1-12 months

SAVINGS FACILITY: Help members to develop savings habit & accumulate assets

COMPULSORY SAVINGS (free)	• **Compulsory** for all borrowers, zero fee, no dedicated book, interest & admin • Saved together with weekly installment. Will be returned after loan is repaid • **Proven to be effective in instilling savings habit in our members**
VOLUNTARY SAVINGS (free)	• **Optional** for all borrowers, zero fee, has dedicated book, no interest & admin • Saved together with weekly installment. Withdrawable at KKI branch • **Most members save regularly for the first time in their life in KKI**

Side Story 2 - EMPOWERING THE MIND

KKI members with their Pigura Impian (Frame of Dreams)

"My greatest challenge has been to change the mindset of people."

Muhammad Yunus (brainyquote.com)

"Let us not be satisfied with just giving money. Money is not enough, money can be gotten, but they need your hearts to love them."

Mother Teresa (brainyquote.com)

Key differentiator between KKI and most other microfinance institutions is **our unshakeable belief and effort in empowering the mind of our members**: By instilling the motivation, the needed mindset, the belief that they can reach their dreams, and the knowledge to reach it. To date, our most successful members said it's not the loan that made the difference; It's the trainings they received from KKI.

WHAT WAS DONE - 1 of 2

KKI executed 5 initiatives to support member, 7 operations-related initiatives and 10 HR&GA-related initiatives in 2014. Overall, more things were done in these 3 areas compared to 2013.

SUPPORTS FOR MEMBERS AND COOPERATIVE-RELATED

1. Continued delivery of direct support for members: Motivation & Mindset Training, Frame of Dreams, educational movies on saving, micro-loans and savings facility (throughout 2014)
2. Continued loan insurance program for all members. 8 members passed away in 2014 (throughout 2014)
3. Continued scholarship from CIMB Niaga & Bright Foundation (9 & 2 children) (throughout 2014)
4. Executed Annual Member Meeting for the Year of 2013 (Jul)
5. Executed Annual Recreation, fully supported by Project Indonesia (Oct)

OPERATIONS DIVISION

1. Pushed daily operations to reach 5,033 members and achieve 100% repayment (throughout 2014)
2. Revised and developed parts of operational systems and procedures (throughout 2014)
3. Covered 4 additional sub-districts (total: 12) to increase potential target market (throughout 2014)
4. Tighten procedures application by KKI team (Apr)
5. Transitioned the delivery of Mindset and Motivation Training to Social Impact Officer (Aug)
6. Trained, mentored and promoted 3 field officers to become Vice Branch Head (Aug & Sep)
7. Grew satellite branch from 2 to 3 (Sep)

HUMAN RESOURCES & GENERAL ADMINISTRATIVE (HR & GA) DIVISION

1. Recruited 34 full-time and 8 part-time personnel (throughout 2014):
   - 25 staff-level: 2 undergraduate and 23 high school graduate (throughout 2014)
   - 4 supervisor-level and 1 manager-level (Apr, May, Aug, Oct)
   - 4 KKI Future Leaders Program participants (batch 1 in Jan, batch 2 in May)
   - 7 interns and 2 volunteers (May, Aug, Oct)
2. Executed trainings and coaching for KKI team (throughout 2014)
3. Revised and developed parts of human resources systems and procedures (throughout 2014)
4. Executed 2013 year-end closing event as a reward for achieving 2013 target (Jan)
5. Revised performance management system for field officers (Feb)
6. Registered KKI personnel to government's BPJS program (Feb)
7. Increased salary and transportation replacement to support recruitment and retention (Apr)
8. Adjusted work demand for field officers during their 3-month probation to lower turnover rate (Jul)
9. Provided housing for female employees coming from outside Jakarta and above staff-level (Jul)
10. Registered all employees in one bank to ease salary payment (Dec)

WHAT WAS DONE - 2 of 2

Other divisions and functions were also more productive compared to 2013. Finance executed 9 and Development executed 7 initiatives. In addition, 3 non-core initiatives were also done.

FINANCE DIVISION

1. Prepared 2013 and 2014 Financial Statements (throughout 2014)
2. Pushed administration processing and reporting, both manually & in computer (throughout 2014)
3. Pushed monthly and yearly tax processing and reporting (throughout 2014)
4. Executed procurements and payments (throughout 2014)
5. Revised and developed parts of Finance Division's systems and procedures (throughout 2014)
6. Developed our information system further, together with our pro-bono developer (throughout 2014)
7. Facilitated 3rd party audit for 2013 Financial Statements (Apr)
8. Promoted 1 Accounting Staff to become Finance Supervisor (Jul)
9. Executed group and payment data migration to SIKKI, KKI's information system (Oct)

DEVELOPMENT FUNCTION

1. Raised funding, both through donations and individual loans (throughout 2014)
2. Published Monthly Reports (throughout 2014)
3. Executed learning trips (throughout 2014):
   - 1-week Social Entrepreneurship program at Stanford University, tuition funded by donors (Mar)
   - Visit to MBK's head office, Indonesia's #1 microfinance institution (Apr, Oct)
   - 1-week exposure visit to CARD MRI, Philippines' #1 microfinance institution (Aug)
   - 1-week exposure visit to ASA, one of the world's best microfinance institutions (Sep)
4. Worked on collaborations (throughout 2014):
   - Mandiri Investasi, for funding, but was later cancelled by them (Jan)
   - Jchartres, for donations (Apr)
   - World Bank, for used laptop donations (Apr)
   - McKinsey & Company's Young Leaders for Indonesia, for temporary student-led project (Jun)
5. Started weekly cross-division coordination (Oct)
6. Published 2013 Annual Report (Oct)
7. Hosted 1 visit from other institutions, executed 4 experience sharing and 4 publications

OTHERS

1. Moved to new, flood-free office (Jul)
2. Participated in E&Y Social Entrepreneur of the Year 2014 selection (Jul)
3. Launched book that shares stories from 7 KKI members, titled "Dreams are Possible" (Dec)

RESULT OF PLANNED INITIATIVES

KKI has 20 planned initiatives in 2014. However, only 7 were fully done. Lack of needed managers and supervisors was the main reason. Thus, it will become one of our main focus in In 2015.

FOCUS AREAS	PLANNED INITIATIVES	STATUS	NOTES
GROW MEMBERS	1. Establish at least 1 new branch	Not done	Not enough resources
	2. Execute effective coordination within management team	Done	-
SOLIDIFY PEOPLE	3. Recruit min. 8 field staffs, 5 KKI-FLP, 1 CEO Analyst, 1 accounting part-time & 3 interns	Done	Targets were exceeded except for KKI-FLP
	4. Launch 5 people initiatives: (1) Employee supports, (2) development, (3) satisfaction improvement, (4) KKI-FLP, (5) mentoring	Done	Employee satisfaction was done by reducing pressure in probation
DEVELOP SYSTEMS	5. Analyze, simplify and develop systems and Standard Operating Procedures (SOP) for 9 areas, from operations to information system	30%	Reason: We do not have enough manager that can make systems
	6. Improve SOP implementation	Done	-
	7. Adjust KKI cooperative system to adhere to the new cooperative law in all aspects	Done, but cancelled	New cooperative law was cancelled by MK
SOLIDIFY SOCIAL IMPACT	8. Sharpen the delivery and monitoring of member education programs	Not done	Trainings are done but other initiatives were not done as we do not have enough manager
	9. Launch new, stand-alone savings product	Not done	
	10. Launch Monthly Loan product	20%	
	11. Execute social impact measurement	5%	Replaced by story book
IMPROVE FINANCIAL DISCIPLINE	12. Identify and apply ways to reduce discontinued members as it hurts financials	15%	Analyses was made in 2nd semester, but was not applied as we need to prioritize other things
	13. Improve discipline to increase average loan size of new members to IDR 1 million	15%	
BOOST INTERNAL CAPACITY	14. Execute collaboration with other institutions	20%	3 projects were done but value was limited
	15. Establish Board of Advisors	10%	Not enough capacity to execute #15 and #16
	16. Develop volunteer network	5%	
	17. Visit other microfinance institutions	Done	CARD, MBK, ASA
	18. Introduce KKI to relevant institutions	10%	Grameen Credit Agricole
CONTINUE GOOD INITIATIVES	19. Execute 2014 evaluation and 2015 planning in more systematic manner	Done	-
	20. Continue 4 programs that received positive responses from members and supporters	75%	Fasting Month Loan was not done

The main reason behind low achievement of the initiatives was that KKI did not have enough people who can make systems and lead daily routine works. This highlighted a very important issue that KKI must solve to grow faster in the future: To have more people on the manager and supervisor level.

DIRECT OUTREACH

2014 direct outreach was solid: 5,033 active members, 8,012 participants were trained, 3,438 and 3,705 received Frame of Dreams and savings book and total members' savings were doubled.

VARIABLES (for weekly loan only)

In number; MM = IDR million; K = IDR thousand, "~" shows rounded number

EDUCATION-RELATED	2012	2013	2014	Δ2014(%)
Number of attendance in training (for the year)*	547	3,328	8,012	141%
Member who got Pigura Impian (for the year)*	225	3,094	3,438	11%
Member who got savings book (for the year)*	0	2,345	3,705	58%
LOAN-RELATED	**2012**	**2013**	**2014**	**Δ2014(%)**
MEMBER:				
Individual who have received loan (end of year)	1,138	4,125	8,025	95%
Active members (end of year)	682	3,065	5,033	64%
% of discontinued borrowers (cumulative)	40%	26%	37%	45%
% of woman (end of year)*	96%	99%	99%	0%
% live with ≤ USD 2/day/person(end of year)*	84%	40%	20%	-50%
% live with ≤ USD 3/day/person(end of year)*	98%	75%	65%	-13%
VALUE AND RISK:				
Number of disbursed loan (for the year)	1,184	4,689	8,005	71%
Total value of disbursed loan (for the year)	~814 MM	~4,403 MM	~9,656 MM	119%
Outstanding portfolio (end of year)	~331 MM	~2,036 MM	~3,850 MM	89%
Average loan per active borrowers (end of year)	~485 K	~990,000	~1,240,000	25%
Portfolio at risk > 30 days (end of year)*	1.4%	1.7%	0.0%	-100%
Bad debt (unpaid >90 days, end of year)*	0.4%	0.7%	0.0%	-100%
BRANCH:				
Number of branch (end of year)	1	1	1	0%
Number of sub-district covered (end of year)	3	8	12	50%
SAVINGS-RELATED	**2012**	**2013**	**2014**	**Δ2014(%)**
Total value of members' savings (end of year)	~144 MM	~774 MM	~1,586 MM	105%
Total value of voluntary savings (end of year)	~23 MM	~185 MM	~310 MM	68%
Average savings/member (end of year)	211,028	252,395	315,078	25%
% members with voluntary savings (end of year)	57%	54%	76%	42%

* These data are not recorded real-time. Therefore, the number used is based from conservative estimation.

INDIRECT OUTREACH & AWARD

On top of core activities, KKI continued its sharing activities, both in different forums and by hosting guests. KKI also received a gift: E&Y Indonesia Social Entrepreneur of The Year 2014.

EXPERIENCE SHARING (NON-COMMERCIAL)	AUDIENCE (TIME)
1. Sharing at SMUK 1 Reunion Event, Jakarta	80 (Jan)
2. Sharing at PPKM (Program Perencanaan Keuangan Masyarakat), Jakarta	15 (May)
3. One of judges at Danone Young Social Entrepreneur event, Jakarta	~7 Teams (Jun)
4. Sharing at Young Leaders for Indonesia event by McKinsey & Co., Jakarta	50 (Jun)
5. Sharing at youth Forum at Keluarga Kudus church, Jakarta	50 (Oct)
6. Guest lecturing at Public Policy Program, University of Indonesia, Jakarta	5 (Oct)

MEDIA EXPOSURE

Bhinneka Newspaper (Pilot Edition)	SWA	RCTI	Forbes Indonesia
Contribution of Chinese-Indonesian (Feb)	Social Entrepreneurship edition (Feb)	Michael-Merry Menginspirasi (Mar)	Lucyana Siregar in 10 Inspiring Women Honor Roll (Apr)

VISITING INSTITUTION

HARVARD BUSINESS SCHOOL

Harvard Business School Asia-Pacific Research Center (Jun)

AWARD

EY Entrepreneur Of The Year®

E&Y Social Entrepreneur of The Year 2014 (Dec).
KKI is the youngest institution ever to receive this award

At the awarding night: Hari Purwantono (E&Y Indonesia Managing Partner), Leonardo (KKI representative) and Shanti L. Poesposoetjipto (Chairman of PT Samudera Indonesia and one of 2014 judges)

EXAMPLES OF SUCCESS STORIES

The strong social outreach is further strengthened by the success stories. 2 stories below showcase sustainable progress achieved by KKI members. It really energizes KKI team.

EKAWATI: STORY OF HARD WORK & BELIEVING

Ibu Ekawati joined KKI in 2012. At that time, she borrowed IDR 1 million to add items to her 'warung' (small stall selling daily needs) and to start selling electronics on credit. Before getting the loan, she have to join compulsory mindset and motivation training.

It is in this training that she felt "awakened". She was taught about courage to dreams and how to achieve it. She really felt moved by the training. "I only went to elementary school, so I was really grateful when KKI taught me those things. I put them on my heart".

Her drive to apply the lessons brought beautiful results. 2 years later, Ibu Ekawati and her husband owned a larger house. They also own 2 cars, a Xenia and a pick-up, both are still paid on credit and are rented. The house was renovated to have 2 rooms to be rented and a garage that is rented by cleaning business.

How could these happened? Her total loan within the 2 years were less than IDR 10 million. She told us that it's really the training and continuous reminder from KKI that had changed her. Since then, she had the courage to achieve her dreams. She worked and managed her money really hard. She also prayed really diligently too, often waking up at 2am to pray until the morning together with her husband.

All of it paid off, very well. She later encouraged her sister, who had received > IDR 15 million loan from government, but without tangible result, to also join KKI. She told her "you might get very little loan from KKI, but the lessons you will get can change your life, if you want to listen and apply". CONGRATULATIONS, Ibu Ekawati! We are very proud of you.

ITAYANTI: STORY OF HARD WORK & PERSEVERANCE

Ibu Itayanti had had many ups and downs in her life. Before joining KKI, she had started 2 successful businesses which then crashed. When she joined KKI, she was at her lowest point as her husband left her with 3 children and < IDR 200,000. She got her strength from her children, knowing that she must do something for them, not giving up.

She was just started making clothes from residual fabrics when she received IDR 800,000 loan from KKI. Like all other members, she also received motivation and mindset training.

Talking about dreams made her cried, as it all seemed very far away: Without husband, 3 children in school, and many failures. But she persisted, as she got the courage to dream and to fight for it from KKI. She then put everything she has.

There was a period when Ibu Itayanti "slept only for 2-3 hours a day", as she starts selling clothes in local market from 5am-11pm, then from 11pm-3pm she fixes clients' clothes at her home, then from 3pm-7pm she sells clothes again in different locations, and in the evening she sews clothes for tomorrow.

But it all paid off. She could send her 3 children to school. She could buy TV, refrigerator, washing machine and even bought gold for savings. All the persistence and sheer hard work paid off. And there is a saying, "when you give more, you get more": One day her husband returned to her, completing her happiness. She is now preparing herself for the 4th child. We are very happy for you, Ibu Itayanti.

SOCIAL PERFORMANCE ANALYSIS

KKI stayed true to its vision to empower people, not just lending money. It provided 9 supports for members in 2014, 7 of which through core activities and 2 others through one-time activities.

- **KKI provided 9 supports for members in 2014**
- Impact measurement was not done yet due to lack of resources. It's delayed to 2015
- Statistics provided with * sign are not recorded real-time. Therefore, the number used is based on conservative estimation

MOTIVATION & MINDSET TRAINING (MMT) & SEMINAR

3,900* members got MMT and 4,112* got "Seminar", the follow-up training. Many members have 'AHA' moment in MMT, realized they could save and achieve their dreams.

FRAME OF DREAMS (FOD)

3,438* members chose to receive Frame of Dreams. Most members remember their dreams when asked. Around 30-40%* still have their FoD after 6 months.

SAVINGS FACILITY

Members could save at zero costs with zero interest. In 2014, 3,705* members got savings book. In Dec, 76% of 5,033 have savings balance, 29% of which have ≥ IDR 50k

MICRO BUSINESS LOAN (SEJAHTERA)

8,005 loans amounting IDR ~9.6 billion was disbursed in 2014. In general, at least 60%* members would have 20-50%* increased in their net income after using the loan.

LOAN INSURANCE

All borrowers received loan insurance, which cover loan and support of IDR 1 million in case of their death. In 2014, 8,005 loans were insured and 8 members passed away.

INDIVIDUAL LOAN

3 top-performing members received total loan of IDR 12 million in 2014, which they used for business, to build a house and to help buy a public transportation car (*angkot*).

DVD: EDUCATIONAL MOVIE ON SAVING

300* groups covering 2,100* members received DVD that teaches about savings. This program is halted in 2014 for evaluation. In general, 25-35%* of members watched it.

Additional Activities

SCHOLARSHIP FOR SMK & ELEMENTARY SCHOOL

9 children of KKI members in SMK and 2 in elementary school continued to receive school support scholarship from CIMB Niaga and Bright Foundation.

Additional Activities

ANNUAL RECREATION

260 members and 155 children joined the trip that was arranged by Project Indonesia (PI), at cost. They had lots of fun playing games, dancing and doing things together.

OPERATIONAL PERFORMANCE ANALYSIS

KKI achieved good operational results as member target was exceeded and 3 satellite branches were established. However, more needs to be done to be able to open new branch in 2015.

Operational Goal #1: REACHING 5,000 MEMBERS — Result: 101% ACHIEVED

WHAT WORKED

- **Performance summary**: KKI reached 5,033 members in the end of 2014, grew by 1,968 members (64%) from 2013. However, 60% of growth was achieved in Q4 (4th quarter).
- Above achievement was **driven mainly by strong growth, which exceeded 2014 target**, especially in Q4. In turn, the strong growth was enabled by the following:
  - **Strong leadership capacity** in Q4, where KKI have 1 Operations Head, 4 Vice Branch Heads and 1 Social Impact Officer. In Q1-Q3, KKI only have 1 Operations Head and 1 Vice Branch Head. Lack of leadership capacity caused bottleneck to KKI's growth.
  - **Available capacity of Field Officers (FO)**. In Q4, average number of FO was 18 and average members handled by each FO was 250, which give them time to look for new members. In Q1-Q3, there were only 12 average FO and the member/FO ratio was 304.
  - **Decent FOs' productivity**, even though lower than 2013. Average new members/FO/month for 2014, 2013 and 2012 was 12, 22 and of 7, consecutively. This was by design, as KKI wanted to improve FO retention by not giving them growth target yet during probation.

WHAT MUST BE IMPROVED

- **Member turnover** (% of member who left when their loan is finished) **increased in 2014**, with **average monthly turnover of 34%** (vs. 23% in 2013). This turnover exceeded the "allowed turnover for the year", but was fortunately compensated by higher growth.
- There are **various reasons** for this, but the main driver was the **strict joint liability**, where members of a group must cover their friend who does not pay on weekly basis.

Operational Goal #2: SET UP AT LEAST 1 BRANCH — Result: 30% ACHIEVED

WHAT WORKED

- **Performance summary**: KKI did not open any physical branch for the year. However, it was compensated by adding 1 satellite branch to make a total of 3 satellite branches.
- Growth of 1 satellite branch was **enabled by growth in leadership capacity**. In 2014, KKI promoted 3 FOs to become Vice Branch Head, making a total of 4 people. This promotion was enabled by recruitment and intensive training and coaching from Operations Head.

WHAT MUST BE IMPROVED

- The SOPs. With physically separated branches, all procedures must be well-defined in SOPs.
- The leaders. We only had 1 Branch Head by Dec 2014, who is also the Operations Head.
- The funding. We only approached 1 strategic funders and it did not work out.

FINANCIAL RESULTS AND ANALYSES

2014 yielded strong financial results: KKI recorded highest ever profit and assets. It was driven by growth in member, loan size, members' savings and less-than-planned personnel number.

VARIABLES	2013	2014	△2014
* In million IDR; Numbers are rounded to zero decimal			
INCOME STATEMENT - KEY FIGURES*			
Financial revenues	602	1,542	156%
Financial costs	3	18	607%
Net financial margin	**600**	**1,525**	**154%**
Salaries	399	948	138%
Operational expenses	136	414	205%
Operating income	**65**	**163**	**150%**
Other Inc. & Exp. (net)	(2)	1	-169%
Tax	1	16	1462%
NET INCOME	**62**	**148**	**139%**
BALANCE SHEET - KEY FIGURES*			
Cash and equivalents	357	73	(80%)
Loan receivables	2,021	3,812	89%
Other current assets	9	76	764%
Total current assets	**2,387**	**3,960**	**66%**
Fixed assets	39	42	8%
TOTAL ASSETS	**2,426**	**4,003**	**65%**
Members' deposits	774	1,586	105%
Loan from 3rd parties	500	650	30%
Other liabilities	93	220	138%
TOTAL LIABILITIES	**1,366**	**2,456**	**80%**
Participative capital	69	298	333%
Membership savings	9	7	(24%)
Donated capital	1,001	1,115	11%
Retained earnings	(19)	126	(760%)
TOTAL EQUITY	**1,060**	**1,547**	**46%**
LIABILITIES&EQUITY	**2,426**	**4,003**	**65%**

ANALYSES

INCOME STATEMENT - ANALYSIS

- KKI recorded **highest ever profit of IDR ~148 million. 2 key drivers** were **strong member growth** (grew by 64%), coupled with **higher average loan per member**, (grew by 25% to IDR 1.24 million).
- Other drivers were (1) **cost of fund that remained low**, as it was mainly contributed by members' savings and donations and (2) **slower increase of salary expenses**, which contributed by less-than-planned number of personnel and still-low management team's salary (70-90% reduction from their market rate).
- **Going forward, KKI will use this financial leeway to invest in people**, especially supervisors and managers, so it can develop faster to help more people.

BALANCE SHEET - ANALYSIS

- KKI's **assets grew steadily by 65%, reaching its highest at IDR ~4 billion** from initial IDR 50 million in 2011.
- This **growth in assets were funded more by liabilities, which grew by 80%**, than by equity, which grew by 46%.
- **Within liabilities, main growth contributor is members' deposits**, which grew by IDR 812 million (105%). This indicates that the efforts to make members save more are working well.
- **Though liabilities has been growing** since 2013, **KKI's balance sheets is still very healthy** as liabilities contributed 61% and equity contributed 39%, resulting in **very low Debt/Equity Ratio of 1.6**. This will help KKI **to access more debt to finance future expansion**.

* 2014 Audited Financial Statements is available from page 33 onwards

THANK YOU TO OUR SUPPORTERS!

KKI could not reach where it is today without our supporters. We are so blessed to continuously received kindness from many people & institutions. Below are those who have supported us.

FOCUS AREAS	IMPACT ON KKI	SUPPORTERS
FUNDING KKI THROUGH DONATION	Donation remained as top 3 funding source for KKI in the end of 2014. Without the donations, KKI will not be able to start, nor reach today.	13 known and ~8 unknown donors donated a total of IDR 110.45 million in 2014. 3 of donors donated regularly to KKI.
FUNDING KKI THROUGH LOAN	Loan from individuals and institutions were also one of the top 3 funding sources that enabled us to reach more members.	6 individual lenders extended 1-year loans with total amount of IDR 400 million and 2 institutions extended a total of IDR 250 million.
DEVELOPING MIS FOR KKI	SIKKI, KKI's cloud-based Management Information System will be the backbone of KKI's admin and analytics in the future.	Willy Yunnal, an awesome young entrepreneur and programmer started to developed SIKKI since 2012, on pro-bono basis.
CONTRIBUTING KNOWLEDGE	Solid advise and support on legal, tax, website and accounting had helped KKI to do things correctly.	John Tobing (legal), Chandra Iman (website), Donny Armando (taxation) and Jerry Matanari (accounting).
OPENING DOORS & OPPORTUNITIES FOR KKI	KKI have no family nor public figure backup, but we do have seniors who care and opened doors for us.	Dr. Lindawati Gani, Dr. Shafiq Dhanani, Michael Shih-ta Chen, Dewi Meisari, Wahyu Indriyo.
SHARING PRICELESS EXPERIENCE	As young institutions, learning from other bigger MFIs really helped to expedite our development.	Mitra Bisnis Keluarga (Dr. Shafiq), CARD MRI (Dr. Alip), ASA Bangladesh (Shafiqual), Koperasi Mitra Dhuafa (Slamet Riyadi).
PROVIDING SCHOLARSHIPS	11 of member's children received scholarship: 9 in vocational high school and 2 in elementary school.	Arwin Rasyid and CIMB Niaga (cimbniaga.com) and Bright Foundation (indonesiabright.org).
ARRANGING ANNUAL RECREATION	260 members and 155 children had lots of fun going to Taman Matahari. They only paid the cost as the trip was arranged by Project Indonesia.	Project Indonesia (project-indonesia.com), a youth-led NGO, have run this event for 3 years. 2014 is the final one. Thank you!
GIVING RECOGNITION	A prestigious award like E&Y Social Entrepreneur of the Year 2014 will increase KKI's credentials and help to open doors in the future.	E&Y Indonesia received KKI nomination from Dr. Lindawati Gani and had put a lot of faith in KKI by awarding us.
OTHER SUPPORTERS	There are hundreds people or more whom we know support KKI with what they could do, i.e., by spreading recruitment, sharing about KKI to friends and most importantly, sending us prayers and encouragement. Thank you.	

GALLERY OF CORE ACTIVITIES - 1 of 2

KKI Annual Members Meeting in 2014

A member with her "Frame of Dreams"

Training for members

Loan disbursement event

A member with KKI savings book

Weekly loan payment collection at member's house.

Initial assessment survey for members.

KKI field officers in front of member's house.

KKI field officers on duty.

Re-checking member's small business.

Daily morning briefing at KKI branch office.

GALLERY OF OTHER ACTIVITIES

2014 recreation to Taman Matahari, Puncak.

1-week executive program at Stanford.

CARD MRI learning trip, Philippines.

ASA learning trip, Bangladesh.

2014 year-end closing event.

Farewell to our routinely-flooded office.

2015: Going to The Next Level

2015 FOCUS & KEY OBJECTIVES

In 2015, KKI aims to go to the next level. We aim to do it in 3 perspectives: Scaling, strengthening foundation and supporting members. 16 key objectives are set for the year.

FOCUS AREAS	KEY OBJECTIVES	DESCRIPTION
SCALING PERSPECTIVE	1. Open 2-4 physical branches for 1st time	This is a true test on whether or not KKI is ready to scale and empower more people
	2. Open Area Office	Area Office will house Area Manager and Admin Team, which coordinate 4-6 branches
	3. Grow member from 5,033 to 8,000	KKI will also grow coverage from 12 to 18 sub-districts, all are still in North Jakarta
STRENGTHENING FOUNDATION PERSPECTIVE	4. Complete The Leadership Team	Leadership Team is the foundation of KKI. We are looking to recruit HR, Development and Internal Audit Managers
	5. Strengthen Staff and Supervisor level	By having strong supervisor & staff-level, KKI will run faster and have leaders for the future
	6. Build systems	Strong system is a must for KKI to grow. 90% in Operations, 70% in Finance, 50% in Development, 40% in HR and 80% in MIS
	7. Solidify cooperative: Legal aspect and commissioners	KKI will turn into a true cooperative by having all clients as member. To support this, we will solidify legalities & Board of Commissioners
MEMBER SUPPORTS PERSPECTIVE	8. Continue serving segment with income of ≤2 USD/day/person	It will be done, one of which, by continue offering the subsidized IDR 500,000 loan
	9. Continue to provide non-loan supports	Motivation & Mindset Training, Frame of Dreams, Savings facility and scholarships
	10. Increase the loan insurance coverage	Giving coverage to husband and IDR 3 million death support if member pass away
	11. Start voluntary savings withdrawal on the field	Members spent valuable money to withdraw savings at KKI office. Thus, we want to allow withdrawal on the field to ease their burden
	12. Develop effective, low-cost impact measurement tool	This is important to objectively demonstrate impact that KKI brought to its members
NEEDED ENABLERS	13. Raise IDR 3 billion of external funding	The funding is needed mainly to fund the loan for growing members
	14. Manage financial levers better	KKI must reduce member turnover and increase average loan size
	15. Build strong Board of Advisors (BoA)	Having right senior people in BoA will really help the young leadership team of KKI
	16. Continue learning from other institutions	Tapping experience from other institutions will also expedite KKI's growth

2015 TARGETS

Those key objectives are then translated to targets that we will strive to achieve in 2015, as below.

TARGET	VARIABLES (FOR WEEKLY LOAN ONLY)	2014 ACTUAL	2015 TARGET
	* In number; B = IDR billion; MM = IDR million; "~" shows rounded number		
OUTREACH & SUPPORTS FOR MEMBERS	1. Active borrowers (end of year)	5,033	8,000
	2. % of discontinued borrowers (for the year)	32%	25%
	3. Number of branch (end of year)	1	4
	4. Number of sub-district covered (end of year)	12	18
	5. % live with ≤ USD 2/day/person(end of year)*	20%	20%
	6. % of woman (end of year)*	99%	99%
	7. Number of attendance in training (for the year)*	8,012	14,215
	8. Member who got Pigura Impian (for the year)*	3,438	4,992
	9. Member who got savings book (for the year)*	3,705	5,460
INSTITUTIONAL STRENGTH	10. Portfolio at risk > 30 days (end of year)*	0%	0%
	11. Bad debt (unpaid >90 days, end of year)*	0%	0%
	12. Average value of disbursed loan (for the year)	1,206,271	1,307,606
	13. External funding raised, e.g. loan (for the year)	960 MM	3 B
	14. Funding raised from savings (for the year)	~1,586 MM	1,900 MM
	15. Profit (loss) condition (end of year)	~148 MM	(200) MM
RISK & FINANCIAL CONDITION	16. Employees at managerial level (end of year)	3	6
	17. Employees at supervisory level (end of year)	6	19
	18. Employees at staff level (end of year)	20	32
	19. Employee turnover (for the year)	93%	30%
	20. % of operational systems in place (end of year)*	50%	90%
	21. Financial statements preparation (for the year)	Semi-cont.	Continuous
	22. Cooperative is fully run as required (end of year)*	50%	90%
	23. Board of Commissioners are strong (end of year)*	Not active	80%
	24. Board of Advisors are strong (end of year)*	None	80%
	25. Impact on members are measured (for the year)	5%	Tools made

* These data are not recorded real-time. Therefore, the number used is based on conservative estimation

2015 WORK PLAN

To achieve the 25 targets shared in previous page, we have set 30 initiatives that will be executed by the 4 divisions and 1 general function in 2015.

DIVISION	INITIATIVES
OPERATIONS	1. Push operations to reach 8,000 members & 100% repayment (throughout 2015) 2. Revise and develop parts of operational systems and procedures (throughout 2015) 3. Add 1% admin fees (become 5%) to cover increased in loan insurance (Jan) 4. Pilot then launch savings withdrawal during weekly installment meeting (May) 5. Spin-off 4 satellite branches to become independent operating branch (Jun) 6. Start Area Office, Area Manager role and Admin Team (Jun)
HR & GA	1. Recruit 28 additional personnel, for various levels and positions (throughout 2015) 2. Execute trainings and coaching for personnel (throughout 2015) 3. Revise and develop parts of HR & GA's systems and procedures (throughout 2015) 4. Push initiatives to reduce turnover and build champion culture (throughout 2015) 5. Execute other initiatives: Performance management revision, one mobile operator for all, personnel housing in each branch, additional insurance for 1st and 2nd level personnel, offices for branches and head office, year-end event (throughout 2015) 6. Increase salary and benefits to cope with minimum wage's increase (Jan)
FINANCE	1. Prepare 2014 and 2015's financial statements; 2014 F/S audited (throughout 2015) 2. Ensure all back-end processes are running well: MIS update, administration, reports, tax, insurance for members, insurance for personnel (throughout 2015) 3. Revise and develop parts of Finance's systems and procedures (throughout 2015) 4. Integrate admin processing & financial statements into KKI's MIS (throughout 2015)
DEVELOPMENT	1. Support other divisions in making or revising systems & policies (throughout 2015) 2. Push external fund raising to raise IDR 3 billion (throughout 2015) 3. Execute weekly, monthly & yearly planning & evaluation (throughout 2015) 4. Push collaboration with individuals or institutions, including to set up Board of Advisors and strengthen Board of Commissioner (throughout 2015) 5. Facilitate and execute learning trip to Komida, MBK, CARD MRI (throughout 2015) 6. Develop cooperative systems, develop and process legalities (Jun) 7. Develop effective and low-cost impact measurement tool (Nov)
MEMBERS, COOPERATIVE & OTHERS	1. Continue all core and non-core member supports, except DVD, Fasting Month Loan and annual recreation, which will be evaluated further (throughout 2015) 2. Hold visits, media exposures and sharing in high-impact events (throughout 2015) 3. Prepare members' story book for KKI's 5-year celebration (throughout 2015) 4. Increase insurance benefit to cover husband and IDR 3 million death support (Jan) 5. Execute Annual Member Meeting and Special Member Meeting (Mar, May) 6. Start converting all clients to become full member (Jul) 7. Pilot and potentially launch compulsory monthly meeting for members (Nov)

JOIN OUR EFFORT!

If you want to contribute in empowering more people to sustainably exit poverty, you can collaborate with us. Below are the options to do that.

FOCUS AREAS	DESCRIPTION	WHAT WE ARE LOOKING FOR

FUNDING MEMBER GROWTH	• KKI needs additional funding to reach & empower more poor families
	• You can support our funding through donation (any amount) and or 1-year loan
	• The 1-year loan is given in IDR 50 million multiple, By Dec 2014 KKI has total loan of IDR 650 million
	• For IDR 300-600 million loan, KKI provides a yearly gross interest of 11.5%, whose after-tax interest equals to bank's deposit rate of 10%
		• IDR 3 billion:
		  • IDR 2.5 billion to finance loans
		  • IDR 0.5 billion to finance operations of new branches

FUNDING KKI'S INFORMATION SYSTEM	• KKI has a solid MIS developed by a pro-bono programmer • To support our pro-bono programmer, we plan to hire a full-time MIS programmer for 1 year	• 1-year salary for the programmer: IDR 120 million

FUNDING SPECIFIC PROJECTS	• KKI plans to execute several projects to improve supports for members and welcome donations to execute them, namely:
	  • Development and execution of comprehensive social impact measurement
	  • Piloting of new, stand-alone savings product
	  • Cooperative training for members
		• For social impact measurement and stand-alone savings: Each IDR 30 million (6-month salary, 1 person)
		• Cooperative training: IDR 20 million (4-month salary, 1 person)

FUNDING LEARNINGS	• KKI aims to improve the capabilities of its young Leadership Team through trainings. We welcome donations for this purpose • This year we plan to go to CARD MRI in Philippines and 2 other local institutions	• Local training: IDR 2-6 million / training • In other countries: IDR 10-70 million / trip
BECOMING A MENTOR TO KKI LEADERS	• KKI seeks mentor for its management team and welcome seniors (>35-year old) that are interested to help nurture KKI's Leadership Team personally to express interest • Time commitment: 2-4 hours monthly	• 1 mentor for each of KKI's Operations, Finance, Development, HR and General Manager
BECOMING KNOWLEDGE VOLUNTEER	• KKI welcomes young professionals to join as Knowledge Volunteer, supporting KKI on specific technical areas in which she/he have expertise at • Time commitment: 1-3 hours monthly	• Knowledge volunteer on legal, human resources and fund raising matter
DONATING EQUIPMENT & ASSETS SUPPORTS	• KKI will invest more in proper equipment. However, we continue to welcome donations of used/new items	• 5 laptops • 2 motorcycles • Tables, chairs, cabinets

Side Story 3 - **TOGETHER, WE CAN!**

KKI members at one of the annual trip in Taman Bunga Nusantara

> *"Making money is a happiness. And that's a great incentive. Making other people happy is a super-happiness."*
>
> *Muhammad Yunus (brainyquote.com)*

KKI could not reach this day without the support from our donors, lenders and supporters. KKI could neither reach its vision to empower millions without your support. **If you look for an institution which literally puts their life to support the poor, you have found it**. One of our team members once only had IDR 300,000 in his savings while his wife was pregnant; He was earning IDR 0/month salary in KKI (he could get > IDR 40 million/month outside). We will not let your support go astray; We will translate it to more poor families being empowered.

Audited 2014 Financial Statements

Management Board's Statement
Regarding
The responsibility for the financial statements
As at and for the year ended 31 December 2014
Koperasi KASIH Indonesia

We, the undersigned:

1.	Name	: Leonardo Kamilius
	Office address	: Jalan Baru Gang 2 no. 27, Cilincing, Jakarta Utara 14120
	Residential address as stated in ID	: Jalan Karet Belakang, RT 001 / RW 007, kel. Karet Kuningan, kec. Setiabudi, Jakarta Selatan
	Phone number	: +6221-5252831
	Title	: Chairman
2.	Name	: Lucyana Siregar
	Office address	: Jalan Baru Gang 2 no. 27, Cilincing, Jakarta Utara 14120
	Residential address as stated in ID	: Jalan Persatuan I no. 78, RT 007 / RW 001, kel. Pasir Gunung Selatan, kec. Cimanggis, Depok
	Phone number	: +6221-91823221
	Title	: Secretary
3.	Name	: Ferry Setiawan
	Office address	: Jalan Baru Gang 2 no. 27, Cilincing, Jakarta Utara 14120
	Residential address as stated in ID	: Jalan Dermaga Duren Sawit blok C No. 7, RT 013 / RW 011, kel. Klender, kec. Duren Sawit, Jakarta Timur
	Phone number	: +6221-8617700
	Title	: Treasurer

In the above positions acted as Management Board member of Koperasi KASIH Indonesia, declare that:

1. We are responsible for the preparation and presentation of the financial statements of Koperasi KASIH Indonesia (KKI);
2. All information in the financial statements have been disclosed in a complete and truthful manner;
3. The financial statements do not contain any incorrect material facts, nor do they omit information or material fact;
4. We are responsible for KKI's internal control system.

Thus, this statement is made truthfully.

Jakarta, December 30, 2015

Leonardo Kamilius	**Lucyana Siregar**	**Ferry Setiawan**
Chairman	Secretary	Treasurer

KOPERASI KASIH INDONESIA

LAPORAN KEUANGAN/*FINANCIAL STATEMENTS*

UNTUK TAHUN YANG BERAKHIR/*FOR THE YEARS ENDED*
31 DESEMBER 2014 DAN 2013/*DECEMBER 31, 2014 AND 2013*
DAN/*AND*
LAPORAN AUDITOR INDEPENDEN/*INDEPENDENT AUDITORS' REPORT*

KOPERASI KASIH INDONESIA	***KOPERASI KASIH INDONESIA***
LAPORAN KEUANGAN	***FINANCIAL STATEMENTS***
UNTUK TAHUN YANG BERAKHIR	***FOR THE YEARS ENDED***
31 DESEMBER 2014 DAN 2013	***31 DECEMBER 2014 AND 2013***

Nomor : R.11.2/041/12/15

Number : R.11.2/041/12/15

Laporan Auditor Independen

Independent Auditors' Report

Dewan Pengawas, Dewan Pengurus dan Anggota
Koperasi Kasih Indonesia

Supervisory Board, Management Board and Members
Koperasi Kasih Indonesia

Kami telah mengaudit laporan keuangan Koperasi Kasih Indonesia ("Koperasi") terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2014, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying financial statements of Koperasi Kasih Indonesia ("Cooperation"), which comprise the statement of financial position as of December 31, 2014, and the statement of 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.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the 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 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 bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan.

Auditors' responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Head office : Menara Kuningan 11th Floor Jl. HR. Rasuna Said Blok X-7 Kav.5 Jakarta 12940
Branch Office : Jl, Danau Jempang B3 No.29 Pejompongan - Jakarta 10210
Phone : (62-21) 5790 3548 Fax : (62-21) 5790 3548

Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan 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 secara keseluruhan.

In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opini

Opinion

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Koperasi Kasih Indonesia tanggal 31 Desember 2014, serta kinerja keuangan dan arus kas untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Koperasi Kasih Indonesia as of December 31, 2014, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Doli, Bambang, Sulistiyanto, Dadang & Ali

Drs. Hardy Manahan Lumban Tobing, Ak., CPA
Nomor Izin Akuntan Publik/*License Public Accountant No* AP.0410

16 Desember 2015/*December 16, 2015*

KOPERASI KASIH INDONESIA
LAPORAN POSISI KEUANGAN
PER 31 DESEMBER 2014 DAN 2013
(disajikan dalam Rupiah, kecuali dinyatakan lain)

KOPERASI KASIH INDONESIA
STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2014 AND 2013
(expressed in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2014	2013 Disajikan kembali/ *Restated*	2013 Desember/ *December*	
A S E T					***A S S E T S***
ASET LANCAR					***CURRENT ASSETS***
Kas dan setara kas	2b,5	72.896.738	356.785.230	356.785.230	*Cash and cash equivalents*
Piutang usaha	2d,6	3.811.606.067	2.021.445.874	2.021.445.874	*Account receivables*
Biaya dibayar di muka	2e,7	74.033.064	6.500.000	6.500.000	*Prepaid expenses*
Aset lainnya		1.924.728	2.293.600	2.293.600	*Other assets*
Jumlah Aset Lancar		3.960.460.597	2.387.024.704	2.387.024.704	***Total Current Assets***
ASET TIDAK LANCAR					***NON-CURRENT ASSETS***
Aset tetap – setelah dikurangi akumulasi penyusutan masing–masing sebesar Rp 30.660.840 dan Rp 18.502.684 pada tahun 2014 dan 2013	2f,8	42.346.110	39.079.666	39.079.666	*Fixed assets - net of accumulated depreciation amounting to Rp 30.660.840 and Rp 18.502.684 in 2014 and 2013 respectively*
Jumlah Aset Tidak Lancar		42.346.110	39.079.666	39.079.666	***Total Non-Current Assets***
JUMLAH ASET		**4.002.806.707**	**2.426.104.370**	**2.426.104.370**	***TOTAL ASSETS***

Lihat Catatan atas Laporan Keuangan terlampir yang merupakan bagian tak terpisahkan dari Laporan Keuangan secara keseluruhan

See accompanying Notes to the Financial Statements which are an integral part of the Financial Statements taken as a whole

KOPERASI KASIH INDONESIA
LAPORAN POSISI KEUANGAN (LANJUTAN)
PER 31 DESEMBER 2014 DAN 2013
(disajikan dalam Rupiah, kecuali dinyatakan lain)

KOPERASI KASIH INDONESIA
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF 31 DECEMBER 2014 AND 2013
(expressed in Rupiah, unless otherwise stated)

	Catatan/ Notes	2 0 1 4	2 0 1 3 Disajikan kembali/ *Restated*	2 0 1 3 Desember/ *December*	
LIABILITAS DAN EKUITAS					***LIABILITIES AND EQUITY***
LIABILITAS JANGKA PENDEK					***SHORT-TERM LIABILITIES***
Hutang usaha	9	1.587.645.586	779.749.475	779.749.475	*Account payables*
Biaya masih harus dibayar	10	94.666.746	20.874.567	20.874.567	*Accrued expenses*
Uang titipan	11	44.591.000	24.500.500	24.500.500	*Money deposited*
Utang jangka panjang< 1 tahun	12	650.000.000	500.000.000	500.000.000	*Long-term debt < 1 year*
Jumlah Liabilitas Jangka Pendek		2.376.903.332	1.325.124.542	1.325.124.542	***Total Short-Term Liabilites***
LIABILITAS JANGKA PANJANG					***LONG-TERM LIABILITIES***
Liabilitas imbalan kerja	2i,4,13	79.301.975	41.053.537	-	*Employee benefits liabilities*
Jumlah Liabilitas Jangka Panjang		79.301.975	41.053.537	-	***TOTAL LONG-TERM LIABILITIES***
Jumlah Liabilitas		**2.456.205.307**	**1.366.178.079**	**1.325.124.542**	***Total Liabilities***
EKUITAS					***EQUITY***
Modal saham –	14				*Share capital –*
Modal penyertaan		298.444.610	68.969.610	68.969.610	*Contribution capital*
Modal donasi		1.115.022.004	1.001.132.004	1.001.132.004	*Donated capital*
Simpanan pokok		6.672.000	8.857.000	8.857.000	*Principal savings*
Simpanan wajib		110.000	110.000	110.000	*Compulsory savings*
Saldo laba (rugi) ditahan		126.352.786	(19.142.323)	21.911.214	*Retained earnings (loss)*
Jumlah Ekuitas		1.546.601.400	1.059.926.291	1.100.979.828	***Total Equity***
JUMLAH LIABILITAS DAN EKUITAS		**4.002.806.707**	**2.426.104.370**	**2.426.104.370**	***TOTAL LIABILITIES AND EQUITY***

KOPERASI KASIH INDONESIA
LAPORAN LABA RUGI KOMPREHENSIF
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2014 DAN 2013
(disajikan dalam Rupiah, kecuali dinyatakan lain)

KOPERASI KASIH INDONESIA
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2014 AND 2013
(expressed in Rupiah, unless otherwise stated)

	Catatan/ Notes	2 0 1 4	2 0 1 3 Disajikan kembali/ *Restated*	2 0 1 3 Desember/ *December*	
PENDAPATAN USAHA	2g,15	1.542.394.249	602.039.251	602.039.251	***OPERATING REVENUES***
HARGA POKOK PENDAPATAN		(17.861.846)	(2.527.778)	(2.527.778)	***COST OF REVENUES***
LABA (RUGI) KOTOR		**1.524.532.403**	**599.511.473**	**599.511.473**	***GROSS PROFIT (LOSS)***
Biaya operasional	2g,4,16	(1.361.887.609)	(534.365.767)	(515.183.810)	*Operating expenses*
Pendapatan lain-lain		13.472.704	3.387.596	3.387.596	*Other income*
Beban lain-lain		(12.058.336)	(4.433.640)	(3.728.457)	*Other expenses*
Beban perkoperasian		-	(990.200)	(990.200)	*Cooperation expenses*
Jumlah		**(1.360.473.241)**	**(536.402.011)**	**(516.514.871)**	***Total***
LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN		**164.059.162**	**63.109.462**	**82.996.602**	***INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)***
MANFAAT (BEBAN) PAJAK PENGHASILAN					***INCOME TAX BENEFIT (EXPENSE)***
K i n i		-		-	*Current tax*
Tangguhan		(15.623.942)	(1.000.000)	(1.000.000)	*Deferred tax*
Beban Pajak Penghasilan		(15.623.942)	(1.000.000)	1.000.000	***Income Tax Expense***
LABA (RUGI) BERSIH		**148.435.220**	**62.109.462**	**81.996.602**	***NET INCOME (LOSS)***

KOPERASI KASIH INDONESIA
LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2014 DAN 2013
(disajikan dalam Rupiah, kecuali dinyatakan lain)

KOPERASI KASIH INDONESIA
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2014 AND 2013
(expressed in Rupiah, unless otherwise stated)

	31 DESEMBER 2013/ ***AS OF 31 DECEMBER 2013***	**PENAMBAHAN/** ***INCREASING***	**PENGURANGAN/** ***DECREASING***	**31 DESEMBER 2014/** ***AS OF 31 DECEMBER 2014***	
Modal Leonardo Kamilius	68.969.610	229.475.000	-	298.444.610	*Leonardo Kamilius' Capital*
Modal Donasi	1.001.132.004	113.890.000	-	1.115.022.004	*Donated Capital*
Simpanan Pokok	8.857.000	-	2.185.000	6.672.000	*Principal Savings*
Simpanan Wajib	110.000	-	-	110.000	*Compulsory Savings*
SHU Belum Dibagi	(19.142.323)	148.435.220	2.940.111	126.352.786	*SHU Not Divided*
Jumlah	**1.059.926.291**	**491.800.220**	**5.125.111**	**1.546.601.400**	***Total***

Lihat Catatan atas Laporan Keuangan terlampir yang merupakan bagian tak terpisahkan dari Laporan Keuangan secara keseluruhan

See accompanying Notes to the Financial Statements which are an integral part of the Financial Statements taken as a whole

KOPERASI KASIH INDONESIA
LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL 31 DESEMBER 2014 DAN 2013
(disajikan dalam Rupiah, kecuali dinyatakan lain)

KOPERASI KASIH INDONESIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(expressed in Rupiah, unless otherwise stated)

	2014	2013	
ARUS KAS DARI AKTIVITAS OPERASI			***CASH FLOWS FROM OPERATING ACTIVITIES***
Laba (rugi) bersih	148.435.220	62.109.462	*Net income (loss)*
Penyesuaian untuk merekonsiliasi laba sebelum pajak penghasilan yang diperoleh dari aktivitas operasi:			*Adjustment for reconciled income before income tax acquired from operating activities:*
Beban depresiasi	12.158.156	11.407.006	*Depreciation expenses*
Penyisihan piutang tak tertagih	23.500.000	15.000.000	*Allowance for Doubtful Accounts*
Penyisihan kewajiban imbalan kerja	38.248.438	19.887.139	*Provision for employee benefit*
Laba operasi tahun berjalan sebelum perubahan aset dan liabilitas operasi	222.341.814	108.403.607	*Operating income for the current year before changes in operating asset and liabilities*
Pinjaman Sejahtera	(2.100.919.000)	(1.730.813.000)	*Sejahtera Loans*
Pinjaman Tumbuh	274.101.639	(65.203.500)	*Tumbuh Loans*
Pinjaman Maju	21.131.500	100.973.500	*Maju Loans*
Pinjaman Pribadi	(2.386.927)	295.197	*Private Loans*
Pinjaman Karyawan	(11.550.000)	-	*Employee Loans*
Pinjaman Lainnya	5.962.596	1.304.002	*Other Loans*
Biaya sewa dibayar di muka	(67.533.065)	3	*Prepaid rent expenses*
Aset Lancar Lainnya	368.872	(2.293.600)	*Other Current Assets*
Tabungan Wajib	605.789.000	276.067.250	*Compulsory Savings*
Tabungan Pribadi	189.094.500	121.197.800	*Individual Savings*
Tabungan Masa Depan	319.103.000	31.000.000	*Future Savings*
Tabungan Karyawan	(4.300.000)	1.900.000	*Employee Savings*
Tabungan Tumbuh	(280.983.889)	204.405.000	*Tumbuh Savings*
Tabungan Lainnya	(20.806.500)	3.865.000	*Other Savings*
Utang Bunga dan Pajak	27.244.340	2.527.779	*Interest and Tax Payable*
Utang Jangka Panjang < 1 tahun	150.000.000	500.000.000	*Long-term Loan < 1 year*
Biaya Yang Masih Harus Dibayar	46.547.839	4.837.369	*Accrued expenses*
Uang Titipan	20.090.500	23.680.500	*Money Deposited*
Arus kas bersih digunakan untuk aktivitas operasi	**(606.703.781)**	**(417.853.093)**	***Net cash flows used in operating activities***
ARUS KAS DARI AKTIVITAS INVESTASI			***CASH FLOWS FROM INVESTMENT ACTIVITIES***
Pembelian aset tetap	(15.424.600)	(29.509.600)	*Purchasing of fixed assets*
Arus kas bersih digunakan untuk aktivitas investasi	**(15.424.600)**	**(29.509.600)**	***Net cash flows used in investment activities***
ARUS KAS DARI AKTIVITAS PENDANAAN			***CASH FLOWS FROM FINANCING ACTIVITIES***
Modal Disetor	229.475.000	(40.680.650)	*Paid in Capital*
Modal Donasi	113.890.000	427.621.227	*Donation Capital*
Simpanan Pokok	(2.185.000)	2.100.000	*Principal Deposits*
Koreksi SHU	(2.940.111)	-	*SHU Adjustment*
Arus kas bersih diperoleh dari aktivitas pendanaan	**338.239.889**	**389,040,577**	***Net cash flows used in financing activities***
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS	**(283.888.492)**	**(58.322.116)**	***NET DECREASE IN CASH AND CASH EQUIVALENTS***
KAS DAN SETARA KAS PADA AWAL TAHUN	**356.785.230**	**415.107.346**	***CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR***
KAS DAN SETARA KAS PADA AKHIR TAHUN	**72.896.738**	**356.785.230**	***CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR***

KOPERASI KASIH INDONESIA
CATATAN ATAS LAPORAN KEUANGAN
Untuk Tahun yang Berakhir
31 Desember 2014 dan 2013
(Dinyatakan dalam Rupiah)

KOPERASI KASIH INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended
December 31, 2014 and 2013
(Expressed in Rupiah)

1. U M U M

a. Pendirian Koperasi

Koperasi Kasih Indonesia ("Koperasi"), didirikan berdasarkan Akte No. 164 yang dibuat oleh H. Rizul Sudarmadi, SH., Notaris di Jakarta tanggal 31 Oktober 2011. Akte tersebut telah mendapat pengesahan dari Dinas Koperasi, Usaha Mikro, Kecil dan Menengah, Dan Perdagangan Provinsi Daerah Khusus Ibukota Jakarta, dengan Surat Keputusan No. 268/BH/XII.2/-1.829.31/XII/2011, tanggal 9 Desember 2011.

Koperasi beralamat di Jalan Cilincing Baru, Gang 2 Dalam No. 29 RT 10 RW 01, Jakarta Utara 14120, Indonesia. (Alamat baru: Jalan Cilincing Baru Gang 2, No. 27 RT 13, RW 01, Cilincing, Jakarta Utara)

Sesuai dengan pasal 5 Anggaran Dasar Koperasi, ruang lingkup Koperasi Kasih Indonesia menyelenggarakan kegiatan: simpan pinjam; pengadaan kebutuhan anggota baik kebutuhan primer maupun sekunder; produksi kebutuhan primer dan sekunder yang dibutuhkan masyarakat; jasa pendidikan dan pelatihan, jasa property, konstruksi, transportasi; jasa penitipan balita, anak dan sarana kesehatan; jasa penyaluran tenaga kerja; supplier, pembiayaan dalam berbagai bentuk, leasing; pertanian, perkebunan, peternakan dan perikanan.

b. Dewan Pengurus dan Pengawas Koperasi

Susunan pengurus Koperasi pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

1. G E N E R A L

a. Establishment of Cooperative

Koperasi Kasih Indonesia ("Cooperative"), established pursuant to Deed No. 164 were made by H. Rizul Sudarmadi, SH., Notary in Jakarta on October 31, 2011. Certificate has been approved by the Department of Cooperatives, Micro, Small and Medium Enterprises, Commerce and Special Province of Jakarta, by Decree No. 268/BH/XII.2/-1.829.31/XII/2011, dated December 9, 2011.

Cooperative located at Jalan Cilincing Baru Gang 2 Dalam No. 29 RT 10 RW 01, North Jakarta 14120, Indonesia. (New address: Jalan Cilincing Baru Gang 2, No. 27 RT 13, RW 01, Cilincing, Jakarta Utara)

In accordance with article 5 of the Articles of Association of Cooperatives, Koperasi Kasih Indonesia scope of organized activities: savings and loans; procurement needs of members of both primary and secondary needs; primary and secondary production needs required by the community; education and training services, property services, construction, transportation; toddler day care services, child and health facilities; labor distribution services; suppliers, in various forms of financing, leasing; agriculture, plantation, animal husbandry and fishery.

b. Board of Management and Supervisors Cooperative

Cooperative's management on the date of December 31, 2014 and 2013 are as follows:

	2014	2013		
Dewan Pengurus				*Board of Management*
Ketua	: Tn. Leonardo Kamilius	Tn. Leonardo Kamilius	:	*Chairman*
Sekretaris	: Ny. Lucyana Siregar	Ny. Lucyana Siregar	:	*Secretary*
Bendahara	: Tn. Ferry Setiawan	Tn.Ferry Setiawan	:	*Treasurer*
Dewan Pengawas				*Supervisors*
Ketua	: Ny. Aisah	Ny. Aisah	:	*Chairman*
Anggota	: Ny. Tuti	Ny. Tuti	:	*Members*
Anggota	: Ny. Patimah	Ny. Patimah	:	*Members*

Pada tanggal 31 Desember 2014 dan 2013, Koperasi memiliki 5.033 dan 3.065 anggota pengguna jasa (tidak diaudit).

As at December 31, 2014 and 2013, the cooperative has 5.033 members and 3.065 service users (unaudited).

1. U M U M (Lanjutan)

c. Penyelesaian Laporan Keuangan

Laporan keuangan ini diselesaikan dan diotorisasi untuk diterbitkan oleh pengurus Koperasi pada tanggal 16 Desember 2015.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

a. Prinsip Penyajian Laporan Keuangan

Laporan keuangan telah disajikan sesuai dengan Standar Akuntansi Keuangan (SAK), yang mencakup Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia. Seperti diungkapkan dalam catatan-catatan terkait di bawah ini, beberapa standar akuntansi yang telah direvisi, diterbitkan dan diterapkan efektif tanggal 1 Januari 2012.

Laporan keuangan disusun sesuai dengan PSAK No. 1 (Revisi 2009), “Penyajian Laporan Keuangan”.

PSAK 1 (Revisi 2009) mengatur penyajian laporan keuangan, yaitu antara lain, tujuan pelaporan, komponen laporan keuangan, penyajian secara wajar, materialitas dan agregasi, saling hapus, perbedaan antara aset lancar dan tidak lancar dan liabilitas jangka pendek dan jangka panjang, informasi komparatif dan konsistensi penyajian, dan memperkenalkan pengungkapan baru, antara lain sumber estimasi ketidakpastian dan pertimbangan, pengelolaan permodalan, pendapatan komprehensif lainnya, penyimpangan dari standar akuntansi keuangan, dan pernyataan kepatuhan.

Laporan keuangan disusun berdasarkan dasar akrual dengan menggunakan konsep harga perolehan, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

1. G E N E R A L *(Continued)*

c. Completion of Financial Statements

The financial statements are completed and authorized for issue by the board Cooperative on December 16, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Financial Statement Presentation

The financial statements have been prepared in accordance with Financial Accounting Standards (GAAP), which includes the Statement of Financial Accounting Standards (SFAS) and Interpretations of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standards Indonesian Institute of Accountants. As disclosed in the relevant notes below, some accounting standards that have been revised, published and implemented an effective date of January 1, 2012.

The financial statements are prepared in accordance with PSAK No. 1 (Revised 2009), "Presentation of Financial Statements".

PSAK 1 (Revised 2009) regulates the presentation of financial statements, among other things, the objective, the components of financial statements, fair presentation, materiality and aggregation, offsetting, the difference between current and non-current assets and current liabilities and long-term, comparative information and consistency of presentation, and introduces new disclosures, among other sources of estimation uncertainty and consideration, capital management, other comprehensive income, a deviation from accounting standards, and a statement of compliance.

The financial statements have been prepared on the accrual basis using the historical cost basis, except for certain accounts which are measured as described in the accounting policies of each such account.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

a. Prinsip Penyajian Laporan Keuangan (Lanjutan)

Laporan arus kas disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas operasi, investasi, dan pendanaan.

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan adalah Rupiah, yang merupakan mata uang fungsional.

b. Kas dan Setara Kas

Kas dan setara kas terdiri dari kas, bank dan semua deposito yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan yang tidak dijaminkan serta tidak dibatasi penggunaannya.

c. Transaksi dengan Pihak-pihak Berelasi

Koperasi menerapkan PSAK No. 7 (Revisi 2010), “Pengungkapan Pihak-pihak Berelasi”, yang menggantikan PSAK No. 7 (Revisi 1994), “Pengungkapan Pihak-Pihak yang mempunyai Hubungan Istimewa”. PSAK revisi ini mensyaratkan pengungkapan hubungan, transaksi dan saldo pihak-pihak berelasi, termasuk komitmen dalam laporan keuangan. Penerapan PSAK yang direvisi tersebut tidak memberikan pengaruh signifikan terhadap pengungkapan terkait dalam laporan keuangan.

Suatu pihak dianggap berelasi dengan Koperasi,jika pihak tersebut:

i. Langsung, atau tidak langsung yang melalui satu atau lebih perantara, suatu pihak (i) mengendalikan, atau dikendalikan oleh, atau berada di bawah pengendalian bersama, dengan Koperasi; (ii) memiliki kepentingan dalam Koperasi yang memberikan pengaruh signifikan atas Koperasi; atau (iii) memiliki pengendalian bersama atas Koperasi.
ii. Suatu pihak yang berelasi dengan Koperasi;
iii. Suatu pihak adalah ventura bersama di mana Koperasi sebagai venturer;
iv. Suatu pihak adalah anggota dari personil manajemen kunci Koperasi;
v. Suatu pihak adalah anggota keluarga dari individu yang diuraikan dalam butir (a) atau

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

a. Principles of Financial Statement Presentation *(Continued)*

Statements of cash flows prepared using the direct method by classifying cash flows into operating, investing, and financing.

The reporting currency used in the preparation of the financial statements is the Indonesia currency, which is the functional currency.

b. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks and all deposits with original maturities of three months or less from the date of placement is not guaranteed and unrestricted.

c. Transactions with Related Parties

Cooperative adopted PSAK No. 7 (Revised 2010), "Related Party Disclosures", which replaces PSAK No. 7 (Revised 1994), "Party Disclosures Related having". This revised SFAS requires disclosure of relationships, transactions and balances related parties, including commitments in the financial statements. Implementation of the revised FRS does not have a significant impact on the related disclosures in the financial statements.

A party is considered to relate to the Cooperative, if such party:

i. Directly, or indirectly through one or more intermediaries, the party (i) controls, or is controlled by, or is under common control with the Cooperative; (ii) has an interest in cooperatives that provide significant influence over the Cooperative; or (iii) has joint control over the cooperative.
ii. A related party to the Cooperative;
iii. A party is a joint venture in which the Cooperative as a venturer;
iv. A party is a member of the key management personnel of the Cooperative;
v. A party is a close family member of an individual described in clause (a) or

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

c. Transaksi dengan Pihak-pihak Berelasi (Lanjutan)

vi. Suatu pihak adalah entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi signifikan oleh atau untuk dimana hak suara signifikan pada beberapa entitas, langsung maupun tidak langsung, individu seperti diuraikan dalam butir (d) atau (e); atau

vii. Suatu pihak adalah suatu program imbalan pasca kerja untuk imbalan kerja dari Koperasi atau entitas yang terkait dengan Koperasi.

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, dimana persyaratan tersebut sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

Seluruh transaksi dan saldo yang material dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan yang relevan.

d. Piutang Usaha

Piutang usaha adalah pinjaman yang diberikan kepada anggota Koperasi.

Adapun jenis-jenis pinjaman yang diberikan adalah: Pinjaman Sejahtera yang merupakan produk utama *(main product)*, yang baru, Pinjaman Tumbuh yang merupakan pinjaman utama yang digantikan Pinjaman Sejahtera, Pinjaman Maju yang merupakan produk percontohan (*pilot product),* Pinjaman Pribadi dan Pinjaman Lainnya yang merupakan produk pinjaman individu untuk anggota yang pinjaman utamanya lancar.

e. Biaya Dibayar Dimuka

Biaya dibayar dimuka diamortisasi selama periode manfaat biaya dengan metode garis lurus *(straight-line method)*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

c. Transactions with Related Parties *(Continued)*

vi. A party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting rights in several entities, directly or indirectly, the individual as described in (d) or (e); or

vii. A party is a post-employment benefit plan for the benefit of employees of the Cooperative or entity associated with the Cooperative.

The transaction is carried out based on terms agreed by both parties, which is the same as the requirements of other transactions carried out with related parties who are not related.

All transactions and balances are material with related parties are disclosed in the notes to the financial statements are relevant.

d. Account Receivables

Accounts receivables are loans given to members of the Cooperative.

As for the types of loans are: Loans Sejahtera which is the main product (main product), which is new, which is a loan Growing replaced the main borrowing Prosperous Loans, Advance Loans are a product demonstration (pilot product), Personal Loans and Other Loans which is a product of individual loans to members of the main loan smoothly.

e. Prepaid Expenses

Prepaid expenses are amortized over the period of benefit costs by the straight-line method (straight-line method).

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

f. Aset Tetap

Koperasi menerapkan PSAK No. 16 (Revisi 2011), "Aset Tetap". PSAK revisi ini mengatur perlakuan akuntansi aset tetap sehingga pengguna laporan keuangan dapat memahami informasi mengenai investasi entitas pada aset tetap dan perubahan pada investasi tersebut. Isu-isu utama dalam aset tetap adalah pengakuan aset, penentuan jumlah tercatat, penyusutan dan penurunan nilai aset tetap. Penerapan PSAK revisi ini tidak berdampak signifikan terhadap laporan keuangan.

Koperasi memilih menggunakan model biaya sebagai kebijakan akuntansi pengukuran aset tetapnya.

Aset tetap, dinyatakan sebesar biaya perolehan setelah dikurangi akumulasi penyusutan dan rugi penurunan nilai. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat ("*carrying amount*") aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya perbaikan dan pemeliharaan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi komprehensif pada saat terjadinya.

Aset tetap, disusutkan dengan menggunakan metode garis lurus (*straight-line method*) berdasarkan taksiran masa manfaat ekonomis aset tetap, sebagai berikut:

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

f. Fixed Assets

Cooperative adopted PSAK No. 16 (Revised 2011), "Fixed Assets". This revised PSAK plant and fixed so that the users of financial statements can discern information about an entity's investment in fixed assets and the changes in such investment. The main issues in fixed assets is the recognition of the assets, the determination of the carrying amount, depreciation and impairment of fixed assets. The application of this revised PSAK no significant impact on the financial statements.

Cooperative choose to use the cost model for measurement of fixed assets.

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria. Likewise, when a major inspection is done, the cost of inspection is recognized in the carrying amount ("carrying amount") of property and equipment as a replacement if the recognition criteria. All repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Fixed assets, are depreciated using the straight-line method (straight-line method) based on the estimated useful lives of the assets, as follows:

	Tahun/ *Years*	**Tarif penyusutan / *Depreciation rates***	
Sepeda	2	50%	*Bicycle*
Kendaraan	7	14,29%	*Vehicle*
Peralatan kantor	2-5	20% - 50%	*Office equipments*

Beban pemeliharaan dan perbaikan dibebankan pada laporan laba rugi pada saat terjadinya, sedangkan beban pemugaran dan peningkatan daya guna yang berjumlah besar dilakukan kapitalisasi dan dibebankan dalam tahun-tahun pemakaian melalui penyusutan.

The cost of maintenance and repairs is charged to the income statement as incurred, whereas significant renewals and load large amounts of power to do the capitalization and charged in recent years through the use of depreciation.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

f. Aset Tetap (Lanjutan)

Aset tetap yang sudah tidak digunakan lagi atau sudah dijual dikeluarkan dari kelompok aset tetap berikut akumulasi penyusutannya. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laporan laba rugi pada tahun yang bersangkutan.

g. Pengakuan Pendapatan dan Beban

Koperasi menerapkan PSAK No. 23 (revisi 2010), “Pendapatan”. PSAK revisi ini mengidentifikasi terpenuhinya kriteria pengakuan pendapatan, sehingga pendapatan dapat diakui, dan mengatur perlakuan akuntansi atas pendapatan yang timbul dari transaksi dan kejadian tertentu, serta memberikan panduan praktis dalam penerapan kriteria mengenai pengakuan pendapatan. Penerapan PSAK yang direvisi tersebut tidak memberikan pengaruh yang signifikan terhadap laporan keuangan.

Pendapatan diakui pada saat penyerahan barang dan jasa kepada pelanggan, sedangkan pendapatan proyek diakui berdasarkan persentase penyelesaian. Beban diakui pada saat terjadinya sesuai manfaatnya pada tahun yang bersangkutan *(accrual basis)*.

h. Transaksi dan Saldo dalam Mata Uang Asing

Koperasi menerapkan PSAK No 10 (revisi 2011), "Pengaruh Perubahan Kurs Valuta Asing". PSAK revisi mengatur bagaimana memasukkan transaksi dalam valuta asing dan kegiatan usaha luar negeri ke dalam laporan keuangan entitas dan bagaimana menjabarkan laporan keuangan ke dalam suatu mata uang penyajian. Setiap entitas mempertimbangkan indikator utama dan indikator lainnya dalam menentukan mata uang fungsional. PSAK revisi ini tidak memiliki dampak yang signifikan terhadap laporan keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Fixed Assets (Continued)

Fixed assets that are no longer used or sold are removed from the fixed assets and the related accumulated depreciation. Gains or losses from sales of fixed assets are recorded in the income statement in the year in question.

g. Revenue and Expense Recognition

Cooperative adopted PSAK No. 23 (revised 2010), "Revenue". This revised PSAK identify revenue recognition criteria fulfilled, so that revenue can be recognized, and prescribes the accounting treatment of revenue arising from certain transactions and events, as well as practical guidance on the application of criteria on revenue recognition. Implementation of the revised PSAK does not have a significant impact on the financial statements.

Revenue is recognized upon delivery of goods and services to customers, while revenue is recognized based on the percentage of completion of the project. Expenses are recognized as incurred in accordance benefits during the year (accrual basis).

h. Transactions and Balances in Foreign Currency

Cooperative is applying PSAK No. 10 (revised 2011), "The Effects of Changes in Foreign Exchange Rates". PSAK revised set how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency. Each entity is considered the primary indicator and other indicators in determining the functional currency. The revised PSAK does not have significant impact on the financial statements.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

h. Transaksi dan Saldo dalam Mata Uang Asing (Lanjutan)

Pembukuan Koperasi diselenggarakan dalam mata uang Rupiah. Transaksi-transaksi selama tahun berjalan dalam mata uang asing dicatat dengan kurs yang berlaku pada saat terjadinya transaksi dengan menggunakan kurs tengah Bank Indonesia. Pada tanggal laporan posisi keuangan, aset dan liabilitas 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 tahun yang bersangkutan.

Kurs tengah Bank Indonesia pada tanggal 31 Desember 2014 dan 2013adalah Rp. 12.440 dan Rp. 12.189 untuk 1 US Dollar.

i. Liabilitas Imbalan Kerja Karyawan

Koperasi menerapkan PSAK 24 (revisi 2010), "Imbalan Kerja". PSAK 24 (revisi 2010) memberikan petunjuk untuk penghitungan dan penambahan pengungkapan untuk imbalan kerja dengan beberapa ketentuan transisi. Standar ini memberikan pilihan pengakuan laba atau rugi aktuarial sebagai alternatif atas penggunaan pendekatan koridor, dimana laba atau rugi aktuarial diakui sebagai laba atau rugi pada periode terjadinya sebagai bagian dari pendapatan komprehensif lain.

Penerapan PSAK 24 (Revisi 2010) tidak memiliki dampak signifikan pada laporan keuangan, kecuali pada pengungkapan yang diharuskan.

Imbalan kerja jangka pendek diakui pada saat terhutang kepada karyawan berdasarkan metode akrual.

Imbalan pascakerja seperti pensiun, uang pisah, dan uang penghargaan masa kerja dihitung berdasarkan Undang-Undang Ketenagakerjaan No. 13/2003 ("UU 13/2003").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

h. Transactions and Balances in Foreign Currency *(Continued)*

Bookkeeping Cooperative held in Rupiah. Transactions during the year involving foreign currencies are recorded at the exchange rates prevailing at the transaction date using the exchange rate of Bank Indonesia. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the exchange rates prevailing at that date. Gains or losses are credited or charged to the statement of comprehensive income for the year.

Bank Indonesia middle rate on the date of December 31, 2014 and 2013 was Rp. 12,440 and Rp. 12,189 to 1 U.S. dollar.

i. Employee Benefits Liability

Cooperative adopted PSAK No. 24 (Revised 2010), "Employee Benefits". PSAK No. 24 (Revised 2010) provides guidance for the calculation and additional disclosures for employee benefits with some transitional provisions. It provides an option for recognition of actuarial gains or losses in addition to using the corridor approach, that is, the immediate recognition of actuarial gains or losses in the period in which such gains or losses occur as part of other comprehensive income.

The adoption of PSAK 24 (Revised 2010) did not have significant impact on the financial statements, except for the required disclosures.

Short-term employee benefits are recognized when they accrue to employees on an accrual basis.

Post-employment benefits such as pensions, severance pay and gratuity calculated based on Labour Law. 13/2003 ("Law 13/2003").

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

i. Liabilitas Imbalan Kerja Karyawan (Lanjutan)

Koperasi harus menyediakan program pensiun dengan imbalan minimal tertentu sesuai dengan Undang-undang No. 13/2003 tentang "Ketenagakerjaan" (UU Ketenagakerjaan). Program pensiun Koperasi berdasarkan perhitungan imbalan pensiun yang dilakukan oleh aktuaris menunjukkan bahwa perkiraan imbalan yang disediakan oleh program pensiun Koperasi akan melebihi imbalan pensiun minimal yang ditentukan oleh UU Ketenagakerjaan.

j. Pajak Penghasilan

Koperasi menerapkan PSAK 46 (revisi 2010), "Pajak Penghasilan", Koperasi juga menerapkan ISAK 20, "Pajak Penghasilan - Perubahan dalam Status Pajak Entitas atau Para Pemegang Saham". Penerapan standar tersebut tidak berdampak material terhadap laporan keuangan.

Beban pajak terdiri dari pajak kini dan tangguhan. Beban pajak diakui dalam laporan laba rugi komprehensif kecuali untuk transaksi yang berhubungan dengan transaksi diakui langsung ke ekuitas, dalam hal ini diakui sebagai pendapatan komprehensif lain.

Beban pajak kini ditetapkan berdasarkan laba kena pajak tahun berjalan.

Koperasi telah menggunakan metode perhitungan pajak penghasilan sesuai dengan PSAK 46 "Akuntansi Pajak Penghasilan", untuk mencerminkan perbedaan waktu pengakuan pendapatan dan beban antara laporan keuangan menurut komersial dan laporan keuangan menurut pajak, terutama yang berhubungan dengan penyisihan piutang, penyisihan penurunan nilai persediaan, penyusutan aset tetap dan pengakuan beban dan kewajiban imbalan kerja.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i. Employee Benefits Liability *(Continued)*

Cooperativeis required to provide a minimum amount of pension benefits in accordance with Law 13/2003. The Company pension plan based on the calculation of the benefit liability performed by the actuaries provides that the expected benefits under the Company's pension plan will exceed the minimum requirements of the Labor Law.

j. Income Tax

Cooperative is applying PSAK 46 (revised 2010), "Income Taxes", the Cooperative also apply ISAK 20, "Income Taxes - Changes in the Tax Status of an Entity or its Shareholders". The application of these standards did not have a material impact on the financial statements.

Tax expense comprises of current and deferred tax. Tax expense is recognized in the income statement except to the extent associated with the transaction is recognized directly to equity, in which case it is recognized in other comprehensive income.

Current tax expense is based on taxable profit for the year.

Cooperative has used the method of calculation of income taxes in accordance with PSAK 46, "Accounting for Income Taxes", to reflect the difference in time between the recognition of income and expenses in the financial statements and the financial statements according to commercial taxes, especially those related to allowance for doubtful accounts, provision for decline in value of inventories, depreciation of assets fixed and recognition of expenses and employee benefit obligations.

2. IKHTISAR KEBIJAKAN AKUNTANSIYANG PENTING (Lanjutan)

j. Pajak Penghasilan (Lanjutan)

Aset dan liabilitas pajak tangguhan diukur pada tarif pajak yang diharapkan akan digunakan pada periode ketika aset direalisasi atau ketika liabilitas dilunasi berdasarkan tarif pajak (dan peraturan perpajakan) yang berlaku atau secara substansial telah diberlakukan pada tanggal laporan posisi keuangan.

k. Instrumen Keuangan

PSAK No. 50 (revisi 2010) "Instrumen Keuangan: Penyajian", menetapkan prinsip penyajian instrumen keuangan sebagai liabilitas atau ekuitas dan saling hapus aset keuangan dan liabilitas keuangan.

PSAK inimensyaratkan pengungkapan antara lain informasi mengenai faktor yang mempengaruhi jumlah, waktu dan tingkat kepastian kas masa depan suatu entitas terkait dengan instrumen keuangan dan kebijakan akuntansi yang diterapkan untuk instrumen tersebut.

PSAK No 55 (Revisi 2011) menetapkan prinsip dasar pengakuan dan pengukuran aset keuangan, liabilitas keuangan dan kontrak pembelian atau penjualan item non-keuangan. PSAK ini memberikan definisi dan karakteristik terhadap derivatif, kategori dari keuangan, pengakuan dan pengukuran, akuntansi lindung nilai dan determinasi dari hubungan lindung nilaidi antara yanglainnya.

Aset keuangan Koperasi terdiri dari kas dan setara kas, piutang usaha dan piutang lainnya, sementara liabilitas keuangan Koperasi terdiri dari hutang usaha, hutang lain, biaya masih harus dibayar dan pinjaman jangka pendek bank.

PSAK No 55 (revisi 2011) "Instrumen Keuangan: Pengakuan dan Pengukuran", menetapkan prinsip-prinsip dasar pengakuan dan pengukuran aset keuangan, liabilitas keuangan dan beberapa kontrak untuk membeli atau menjual item nonkeuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

j. Income Tax *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

k. Financial Instruments

PSAK No. 50 (revised 2010) "Financial Instruments: Presentation", establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.

PSAK requires disclosure of, among others, information about factors that affect the amount, timing and certainty of future cash an entity associated with the financial instruments and the accounting policies applied to those instruments.

PSAK No. 55 (Revised 2011) establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. SFAS This gives definition and characteristics of a derivative, the categories of finance, the recognition and measurement, hedge accounting and determination of hedging relationships, among others.

Cooperative financial assets consist of cash and cash equivalents, accounts receivable and other receivables, while the Cooperative's financial liabilities consist of trade payables, other payables, accrued expenses and short-term bank loans.

PSAK No. 55 (revised 2011) "Financial Instruments: Recognition and Measurement", establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

2. IKHTISAR KEBIJAKAN AKUNTANSIYANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

PSAK No. 60 memperkenalkan pengungkapan baru untuk meningkatkan informasi mengenai instrumen keuangan. PSAK ini mewajibkan pengungkapan secara luas mengenai signifikansi pengaruh instrumen keuangan terhadap posisi keuangan dan kinerja Koperasi, dan pengungkapan kuantitatif dan kualitatif atas risiko yang timbul dari instrumen keuangan, serta menentukan pengungkapan minimum mengenai risiko kredit, risiko likuiditas dan risiko pasar, dan juga analisis sensitivitas atas risiko pasar. PSAK ini juga mewajibkan pengungkapan terkait dengan pengukuran nilai wajar menggunakan tiga tingkat hirarki nilai wajar dimana mencerminkan signifikansi input yang digunakan dalam mengukur nilai wajar dan memberikan arahan dalam bentuk pengungkapan kuantitatif mengenai pengukuran nilai wajar dan mewajibkan informasi yang diungkapkan dalam format tabel kecuali terdapat format lain yang lebih sesuai.

Penerapan PSAK No 50 dan PSAK No 55 tidak memiliki dampak yang signifikan terhadap laporan keuanganpinjaman jangka pendek bank.

Penerapan PSAK 60 memiliki dampak pada pengungkapan dalam laporan keuangan.

<u>Klasifikasi</u>

i. Aset Keuangan

Aset keuangan diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif, pinjaman yang diberikan dan piutang, investasi dimiliki hingga jatuh tempo, atau aset keuangan tersedia untuk dijual, jika sesuai. Koperasi menentukan klasifikasi atas aset keuangan pada saat pengakuan awal.

Aset keuangan Koperasi terdiri dari kas dan setara kas,piutang usaha, piutang lain-lain, piutang pihak berelasi dan kas dan setara kas yang dibatasi penggunaannya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

PSAK No. 60 introduces new disclosures to improve the information about financial instruments. The PSAK requires disclosure of the significance of the effect of widespread financial instruments on the financial position and performance of cooperatives, and quantitative and qualitative disclosure of the risks arising from financial instruments, as well as specify the minimum disclosures about credit risk, liquidity risk and market risk, as well as sensitivity analysis above market risk. PSAK also requires disclosures related to fair value measurements using a three-level fair value hierarchy which reflects the significance of the inputs used in measuring fair value and provides guidance in the form of quantitative disclosures about fair value measurements and requires information that is disclosed in tabular format unless there are other formats more appropriate.

The application of PSAK No. 50 and PSAK No. 55 does not have a significant impact on the financial statements.

The application of PSAK No. 60 has an impact on the disclosures in the financial statements.

<u>Classification</u>

i. Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Cooperative determines the classification of financial assets at initial recognition.

Cooperative financial assets consist of cash and cash equivalents, accounts receivable, other receivables, due from related parties and cash equivalents and restricted cash.

2. IKHTISAR KEBIJAKAN AKUNTANSIYANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

ii. Liabilitas Keuangan

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif dan liabilitas keuangan yang dicatat berdasarkan biaya perolehan diamortisasi. Koperasi menentukan klasifikasi atas liabilitas keuangan pada saat pengakuan awal.

Liabilitas keuangan Koperasi terdiri dari utang bank jangka pendek, utang usaha, utang lain-lain, uang muka pelanggan, pendapatan yang ditangguhkan dari pelanggan, utang bank jangka panjang, utang pembelian aset tetap dan utang pihak berelasi.

<u>Pengakuan dan pengukuran</u>

i. Aset Keuangan

Aset keuangan pada awalnya diakui sebesar nilai wajarnya ditambah, dalam hal investasi yang tidak diukur pada nilai wajar melalui laporan laba rugi komprehensif, biaya transaksi yang dapat diatribusikan secara langsung. Pengukuran aset keuangan setelah pengakuan awal tergantung pada klasifikasi aset.

Seluruh pembelian dan penjualan yang lazim pada aset keuangan diakui atau dihentikan pengakuannya pada tanggal perdagangan - yaitu tanggal pada saat Koperasi berkomitmen untuk membeli atau menjual aset. Pembelian atau penjualan yang lazim adalah pembelian atau penjualan aset keuangan yang mensyaratkan penyerahan aset dalam kurun waktu umumnya ditetapkan dengan peraturan atau kebiasaan yang berlaku di pasar.

- Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

ii. Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities are recorded at amortized cost. Cooperative determines the classification of financial liabilities at initial recognition.

Cooperative financial liabilities consist of short-term bank debt, accounts payable, other payables, customer advances, deferred revenue from customers, long-term bank debt, debt purchases of fixed assets and related party debt.

<u>Recognition and measurement</u>

i. Financial Assets

Financial assets are initially recognized at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable. Subsequent measurement of financial assets depends on their classification of assets.

All purchases and sales of financial assets are recognized on the common or derecognised on the trade date - the date on which the Cooperative is committed to buy or sell assets. Purchases or sales are purchases or sales of common financial assets that require delivery of assets within the period generally established by regulation or custom prevailing in the market.

- *Financial assets at fair value through profit or loss*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Pengakuan dan pengukuran (Lanjutan)

i. Aset Keuangan (Lanjutan)

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif termasuk aset keuangan untuk diperdagangkan dan aset keuangan yang ditetapkan pada saat pengakuan awal untuk diukur pada nilai wajar melalui laporan laba rugi komprehensif.

Aset keuangan diklasifikasikan sebagai kelompok diperdagangkan jika mereka diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif ditetapkan pada nilai wajar dalam laporan posisi keuangan dengan perubahan nilai wajar diakui sebagai pendapatan keuangan atau biaya keuangan dalam laporan laba rugi komprehensif.

Koperasi mengevaluasi aset keuangan untuk diperdagangkan, untuk menentukan apakah niat untuk menjualnya dalam waktu dekat masih sesuai. Ketika Koperasi tidak mampu untuk memperdagangkan aset keuangan karena pasar tidak aktif dan niat manajemen untuk menjualnya di masa mendatang secara signifikan berubah, Koperasi dapat memilih untuk mereklasifikasi aset keuangan, dalam kondisi yang jarang terjadi. Reklasifikasi ke pinjaman yang diberikan dan piutang, tersedia untuk dijual atau dimiliki hingga jatuh tempo tergantung pada sifat aset tersebut. Evaluasi ini tidak mempengaruhi aset keuangan yang ditetapkan melalui laporan laba rugi komprehensif menggunakan opsi nilai wajar pada saat penentuan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Recognition and measurement (Continued)

i. Financial Assets (Continued)

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near future. Financial assets at fair value through profit or loss designated at fair value in the balance sheet with changes in fair value are recognized as financial income or financial expenses in the statement of comprehensive income.

Cooperative evaluates financial assets held for trading, to determine whether the intention to sell them in the near term is still appropriate. When the Cooperative is unable to trade in financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Cooperative may choose to reclassify financial assets in rare circumstances. Reclassification to loans and receivables, available for sale or held to maturity depending on the nature of the asset. This evaluation does not affect its financial assets through profit or loss using the fair value option at the time of the determination.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Pengakuan dan pengukuran (Lanjutan)

ii. Aset Keuangan (Lanjutan)

Setelah pengakuan awal, aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif ditetapkan pada nilai wajar dalam laporan posisi keuangan. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar aset keuangan diakui melalui laporan laba rugi komprehensif.

- 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. Setelah pengakuan awal, aset keuangan tersebut dicatat pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif kecuali jika dampak diskonto tidak material, maka dinyatakan pada biaya perolehan. Keuntungan atau kerugian diakui pada laporan laba rugi komprehensif ketika aset keuangan tersebut dihentikan pengakuannya atau mengalami penurunan nilai, dan melalui proses amortisasi.

- Aset keuangan yang tersedia untuk dijual

Aset keuangan tersedia untuk dijual termasuk ekuitas dan efek utang, adalah aset keuangan nonderivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam tiga kategori sebelumnya.

Setelah pengukuran awal, aset keuangan tersedia untuk dijual selanjutnya diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui sebagai laba rugi komprehensif lain dalam cadangan nilai wajar sampai investasi tersebut dihentikan pengakuannya, pada saat keuntungan atau kerugian kumulatif diakui dalam pendapatan operasional lainnya, atau

***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

***k. Financial Instruments** (Continued)*

Recognition and measurement (Continued)

ii. Financial Assets (Continued)

After initial recognition, financial assets at fair value through profit or loss designated at fair value in the statement of financial position. Gains or losses arising from changes in fair value of financial assets are recognized through the statement of comprehensive income.

- *Loans and Receivable*

Loans and receivables are non-derivative financial assets with fixed or determinable payments and have not quoted in an active market. After initial recognition, financial assets are recorded at amortized cost using the effective interest method unless the effect of discount is not material, it is stated at cost. Gains or losses are recognized in profit or loss when the financial asset is derecognized or impaired, and through the amortization process.

- *Financial assets available for sale*

Financial assets available for sale include equity and debt securities, financial assets nonderivatif is defined as available for sale or are not classified in the three preceding categories.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with gains or losses recognized as an unrealized loss in other comprehensive income in the fair value reserve until the investment is derecognized, when the cumulative gain or loss recognized in other operating income, or to be impaired, the cumulative loss is reclassified to current income statement

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Pengakuan dan pengukuran (Lanjutan)

i. Aset Keuangan (Lanjutan)

- Aset keuangan yang tersedia untuk dijual (Lanjutan)

terjadi penurunan nilai, pada saat kerugian kumulatif direklasifikasi ke laporan laba rugi komprehensif dalam biaya keuangan dan dihapus dari cadangan nilai wajar.

Koperasi mengevaluasi aset keuangan tersedia untuk dijual apakah kemampuan dan niat untuk menjualnya dalam waktu dekat masih sesuai. Koperasi tidak mampu untuk memperdagangkan aset keuangan karena pasar tidak aktif dan niat manajemen untuk melakukannya secara signifikan berubah di masa mendatang, Koperasi dapat memilih untuk mereklasifikasi aset keuangan dalam kondisi yang jarang terjadi sebelumnya.

Reklasifikasi ke pinjaman yang diberikan dan piutang diperbolehkan ketika aset keuangan memenuhi definisi pinjaman yang diberikan dan piutang dan Koperasi memiliki maksud dan kemampuan untuk memiliki aset-aset di masa mendatang atau sampai jatuh tempo. Reklasifikasi ke kelompok dimiliki hingga jatuh tempo hanya diperbolehkan ketika entitas memiliki kemampuan dan berkeinginan untuk menahan aset keuangan sedemikian rupa.

Untuk aset keuangan direklasifikasi keluar dari aset keuangan tersedia untuk dijual, keuntungan atau kerugian sebelumnya atas aset tersebut yang telah diakui dalam ekuitas diamortisasi ke laporan laba rugi komprehensif selama sisa umur dari investasi dengan menggunakan suku bunga efektif. Selisih antara biaya perolehan diamortisasi baru dan arus kas yang diharapkan juga diamortisasi selama sisa umur aset dengan menggunakan suku

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Recognition and measurement (Continued)

i. Financial Assets (Continued)

- *Financial assets available for sale (Continued)*

within finance costs and removed from the fair value reserve.

Cooperative evaluate the available-for-sale financial assets whether the ability and intention to sell them in the near term is still appropriate. Cooperatives are not able to trade in financial assets because the market is not active and management intent to do so significantly changes in the foreseeable future, the Cooperative may choose to reclassify financial assets in rare circumstances.

Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and Cooperatives has the intent and ability to hold assets in the foreseeable future or until maturity. Reclassification to the held-to-maturity is permitted only when the entity has the ability and intent to hold financial assets in such a way.

For financial assets reclassified out of available-for-sale financial assets, gains or losses of the asset previously recognized in equity is amortized to the income statement over the remaining life of the investment using the effective interest rate. The difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the effective interest rate. If the subsequent decline in the value of assets,

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Pengakuan dan pengukuran (Lanjutan)

i. Aset Keuangan (Lanjutan)

- Aset keuangan yang tersedia untuk dijual (Lanjutan)

bunga efektif. Jika selanjutnya terjadi penurunan nilai aset, maka jumlah yang dicatat dalam akun ekuitas direklasifikasi ke laporan laba rugi komprehensif.

ii. Liabilitas Keuangan

Liabilitas keuangan diakui pada awalnya sebesar nilai wajar dan dalam hal hutang dan pinjaman termasuk biaya transaksi yang dapat diatribusikan secara langsung.

a. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi

Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi, selanjutnya setelah pengakuan awal diukur pada biaya perolehan diamortisasi, menggunakan suku bunga efektif kecuali jika dampak diskonto tidak material maka dinyatakan pada biaya perolehan.

Beban bunga diakui dalam "Beban keuangan" dalam laporan laba rugi komprehensif. Keuntungan atau kerugian diakui pada laporan laba rugi komprehensif ketika liabilitas keuangan tersebut dihentikan pengakuannya dan melalui proses amortisasi.

b. Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif.

Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi komprehensif ditetapkan pada nilai wajar dalam laporan posisi keuangan. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar liabilitas keuangan diakui melalui laporan laba rugi komprehensif.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Recognition and measurement (Continued)

i. Financial Assets (Continued)

- *Financial assets available for sale (Continued)*

the amount recorded in equity are reclassified to the statement comprehensive of income.

ii. Financial Liabilities

Financial liabilities are recognized initially at fair value and in the case of loans and borrowings including transaction costs that are directly attributable.

a. Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost. Subsequent subsequently measured at amortized cost, using the effective interest rate unless the impact is not material then the discount is stated at cost.

Interest expense is recognized in "Financial expenses" in the consolidated statement of comprehensive income. Gains or losses are recognized in profit or loss when the financial liability derecognised and through the amortization process.

b. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss designated at fair value in the statement of financial position. Gains or losses arising from changes in fair value of financial liabilities are recognized through the statement of comprehensive income.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Pengakuan dan pengukuran (Lanjutan)

Saling Hapus Instrumen Keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan nilai bersihnya dilaporkan dalam laporan posisi keuangan jika, dan hanya jika, saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dan terdapat maksud untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Nilai Wajar dari Instrumen Keuangan

Nilai wajar instrumen keuangan yang diperdagangkan secara aktif di pasar keuangan yang terorganisasi, jika ada, ditentukan dengan mengacu pada kuotasi harga di pasar aktif pada penutupan bisnis pada akhir periode pelaporan.

Untuk instrumen keuangan yang tidak memiliki pasar aktif, nilai wajar ditentukan dengan menggunakan teknik penilaian. Teknik penilaian tersebut mencakup penggunaan transaksi-transaksi pasar yang wajar antara pihak-pihak yang mengerti dan berkeinginan (*arm's length market transactions*); referensi atas nilai wajar terkini dari instrumen lain yang secara substansial sama, analisa arus kas yang didiskonto, atau model penilaian lain.

Biaya Perolehan Diamortisasi dari Instrumen Keuangan

Biaya perolehan diamortisasi dihitung dengan menggunakan metode suku bunga efektif dikurangi dengan penyisihan atas penurunan nilai dan pembayaran pokok atau nilai yang tidak dapat ditagih. Perhitungan tersebut mempertimbangkan premium atau diskonto pada saat perolehan dan termasuk biaya transaksi dan biaya yang merupakan bagian yang tak terpisahkan dari suku bunga efektif.

Penurunan Nilai Aset Keuangan

Setiap akhir periode pelaporan, Koperasi mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Aset

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Recognition and measurement (Continued)

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, currently has a legally enforceable right to offset the recognized amounts and there is the intention to settle on a net basis or to realize the asset and settle liability simultaneously.

Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organized financial markets, if any, is determined by reference to quoted prices in active markets at the close of business at the end of the reporting period.

For financial instruments that do not have an active market, fair value determined using valuation techniques. Such techniques include the use of market transactions is reasonable between the parties who understand and desire (arm's length market transactions); reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Amortized Cost of Financial Instruments

Amortized cost is calculated using the effective interest method less any allowance for impairment and principal repayment or value that can not be billed. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of Financial Assets

Each end of the reporting period, the Cooperative assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Financial asset or group of financial

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Penurunan Nilai Aset Keuangan (Lanjutan)

keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi jika, dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

i. Aset Keuangan

Koperasi menghentikan pengakuan aset keuangan, jika dan hanya jika, hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut berakhir; atau Koperasi mentransfer hak untuk menerima arus kas yang berasal dari aset keuangan atau menanggung liabilitas untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga di bawah kesepakatan pelepasan (*pass through arrangement*); dan (a) Koperasi telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Koperasi tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, namun telah mentransfer pengendalian atas aset.

Ketika Koperasi telah mentransfer hak untuk menerima arus kas dari aset atau telah menandatangani kesepakatan pelepasan (*pass through arrangement*), dan secara substansial tidak mentransfer dan tidak memiliki seluruh risiko dan manfaat atas aset keuangan, maupun mentransfer pengendalian atas aset, aset tersebut diakui sejauh keterlibatan berkelanjutan Koperasi terhadap aset keuangan tersebut.

Dalam hal, Koperasi juga mengakui liabilitas terkait. Aset yang ditransfer dan liabilitas terkait diukur dengan dasar yang

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Impairment of Financial Assets (Continued)

assets is impaired and impairment losses have occurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (adverse events), and events the adverse impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

i. Financial Assets

Cooperative stop the recognition of financial assets, if and only if, the contractual rights to receive cash flows from the asset have expired; or Cooperative transferred its rights to receive cash flows from the financial assets or assume liability to pay the received cash flows in full without material delay to a third party under the release agreement (pass through arrangement); and (a) the Cooperative has transferred substantially all the risks and rewards of the asset, or (b) the Cooperative has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Cooperative has transferred its rights to receive cash flows from an asset or has entered into an agreement release (pass through arrangement), and does not transfer substantially all the risks and rewards of the asset and, nor transferred control of the asset, the asset is recognized to the extent that continuing involvement cooperative against the asset.

In that case, the Cooperative also recognizes an associated liability. In the asset and an associated liability are measured on a basis.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

k. Instrumen Keuangan (Lanjutan)

Penurunan Nilai Aset Keuangan (Lanjutan)

i. Aset Keuangan (Lanjutan)

mencerminkan hak dan liabilitas yang masih dimiliki Koperasi.

Keterlibatan berkelanjutan yang berbentuk pemberian jaminan atas aset yang ditransfer diukur sebesar jumlah terendah dari jumlah tercatat aset dan jumlah maksimal dari pembayaran yang diterima yang mungkin harus dibayar kembali.

ii. Liabilitas Keuangan

Liabilitas keuangan dihentikan pengakuannya ketika liabilitas yang ditetapkan dalam kontrak dihentikan atau dibatalkan atau kadaluarsa.

Ketika liabilitas keuangan saat ini digantikan dengan yang lain dari pemberi pinjaman yang sama dengan persyaratan yang berbeda secara substansial, atau modifikasi secara substansial atas ketentuan liabilitas keuangan yang saat ini ada, maka pertukaran atau modifikasi tersebut dicatat sebagai penghapusan liabilitas keuangan awal dan pengakuan liabilitas keuangan baru, dan selisih antara nilai tercatat liabilitas keuangan tersebut diakui dalam laporan laba rugi komprehensif.

l. Penerapan Pernyataan Standar Akuntansi Keangan (PSAK) Baru dan Revisi dan Interpretasi Standar Akuntansi Keuangan (ISAK)

Berikut ini adalah PSAK dan ISAK revisi yang berlaku efektif pada tanggal 1 Januari 2013, yang relevan tetapi tidak memberi dampak yang signifikan terhadap laporan keuangan:

- Penyesuaian atas PSAK No. 60, "Instrumen Keuangan: Pengungkapan".
- PSAK No. 38 (revisi 2012), "Kombinasi Bisnis Entitas Sepengendali".

Standar baru, revisi dan interpretasi, yang relevan terhadap kegiatan koperasi yang telah diterbitkan, namun berlaku efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2014 adalah:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k. Financial Instruments *(Continued)*

Impairment of Financial Assets (Continued)

i. Financial Assets (Continued)

that reflects the rights and obligations which are still owned by the Cooperative

Continuing involvement in the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the maximum amount of payments received that may be paid back.

ii. Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged or canceled or expired.

When a current financial liability is replaced by another from the same lender on substantially different terms, or substantially modified the provisions of a financial liability that currently exists, an exchange or modification is recorded as a financial liability early elimination of financial liabilities and the recognition of new, and the difference between the carrying amount of the financial liability are recognized in the statement of comprehensive income.

l. Keangan Application of Accounting Standard (SFAS) New and Revised Accounting Standards and Interpretations (IFAS)

Here is a revision of PSAK and ISAK effective on January 1, 2013, which is relevant but not a significant impact on the financial statements:

- *Adjusted for PSAK No. 60, "Financial Instruments: Disclosures".*
- *ISAK No. 38 (revised 2012), "Business Combinations Entities".*

The new standards, revisions and interpretations, which are relevant to the activities of cooperatives that have been published, but is effective for periods beginning on or after January 1, 2014 are:

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

l. Penerapan Pernyataan Standar Akuntansi Keangan (PSAK) Baru dan Revisi dan Interpretasi Standar Akuntansi Keuangan (ISAK) (Lanjutan)

- ISAK No. 27, "Pengalihan Aset dari Pelanggan".
- ISAK No. 28, "Pengakhiran Liabilitas Keuangan dengan Instrumen Ekuitas".

Efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2015 adalah:

- PSAK No. 1 (revisi 2013), "Penyajian Laporan Keuangan".
- PSAK No. 4 (revisi 2103), "Laporan Keuangan Tersendiri".
- PSAK No. 15 (revisi 2013), "Investasi pada Entitas Asosiasi dan Ventura Bersama".
- PSAK No. 24 (revisi 2013), "Imbalan Kerja".
- PSAK No. 65, "Laporan Keuangan Konsolidasian".
- PSAK No. 66, "Pengaturan Bersama".
- PSAK No. 67, "Pengungkapan Kepentingan dalam Entitas Lain".
- PSAK No. 68, "Pengukuran Nilai Wajar".

Pada saat penerbitan laporan keuangan koperasi masih mengevaluasi dampak yang mungkin timbul atas penerbitan standar akuntansi dan interpretasi baru dan revisi tersebut di atas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

l. Keangan Application of Accounting Standard (SFAS) New and Revised Accounting Standards and Interpretations (IFAS) *(Continued)*

- *ISAK. 27, "Transfer of Assets from Customers".*
- *ISAK. 28, "Termination of Financial Liabilities with Equity Instruments".*

Effective for periods beginning on or after January 1, 2015 are:

- *PSAK No. 1 (revised 2013), "Presentation of Financial Statements".*
- *PSAK No. 4 (revised 2103), "Separate Financial Statements".*
- *PSAK No. 15 (revised 2013), "Investments in Associates and Joint Ventures".*
- *PSAK No. 24 (revised 2013), "Employee Benefits".*
- *PSAK No. 65, "Consolidated Financial Statements".*
- *PSAK No. 66, "Shared Settings".*
- *PSAK No. 67, "Disclosure of Interests in Other Entities".*
- *PSAK No. 68, "Fair Value Measurements".*

At the time of issuance of the financial statements of the cooperative is still evaluating the possible impact on the issuance of new accounting standards and interpretations and revisions mentioned above.

3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI

Penyusunan laporan keuangan Koperasi mengharuskan manajemen untuk membuat pertimbangan, estimasi, dan asumsi yang mempengaruhi jumlah yang dilaporkan dan pengungkapan yang terkait, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat pada aset dan liabilitas dalam periode pelaporan berikutnya.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Cooperative financial statements require management to make judgment, estimates and assumptions that affect the reported amounts and related disclosures at the end of the reporting period. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI (Lanjutan)

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Koperasi yang memiliki pengaruh signifikan yang diakui dalam laporan keuangan:

Klasifikasi Instrumen keuangan
Koperasi menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset dan liabilitas keuangan dengan pertimbangan bila definisi yang ditetapkan PSAK No. 55 (revisi 2011) terpenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Koperasi seperti diungkapkan dalam Catatan 2k.

Penyisihan atas Penurunan Nilai Piutang Usaha
Koperasi mengevaluasi akun tertentu jika terdapat informasi bahwa pelanggan yang bersangkutan tidak dapat memenuhi liabilitas keuangannya. Dalam hal tersebut, Koperasi mempertimbangkan berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan dengan pelanggan dan status kredit dari pelanggan berdasarkan catatan kredit dari pihak ketiga dan faktor pasar yang telah diketahui, untuk mencatat provisi yang spesifik atas jumlah piutang pelanggan guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Koperasi. Provisi yang spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan penurunan nilai piutang (Catatan 5).

Penentuan Mata Uang Fungsional
Mata uang fungsional Koperasi adalah mata uang dari lingkungan ekonomi primer pada tempat Koperasi beroperasi. Mata uang tersebut adalah mata uang yang mempengaruhi pendapatan dan beban pokok penjualan. Manajemen Koperasi menentukan mata uang fungsional Koperasi adalah Rupiah.

Estimasi dan Asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk periode/tahun berikutnya diungkapkan di bawah ini. Koperasi mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan disusun. Asumsi dan situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(Continued)*

Consideration

The following considerations are made by management in the application of accounting policies that have significant influence Cooperative recognized in the financial statements:

Classification of financial instruments
Cooperative establishes classification of certain assets and liabilities as assets and financial liabilities with a consideration when PSAK No. 55 (revised 2011) are met. Thus, financial assets and financial liabilities are recognized in accordance with the accounting policies as disclosed in Note Cooperative 2k.

Provision for Impairment of Trade Receivables
Cooperative evaluates specific accounts if there is information that the customer in question can not meet its financial obligations. In that case, consider the cooperative based facts and circumstances available, including but not limited to, the term of the relationship with the customer and the credit status of the customer based on credit records from third parties and known market factors, to record specific provisions on the amount of receivables customers to reduce the amount of the receivables is expected to be received by the Cooperative. Specific provisions are re-evaluated and adjusted as additional information received affects the amount of allowance for impairment of receivables (Note 5).

Determination of Functional Currency
Cooperative functional currency is the currency of the primary economic environment in place cooperative operates. The currency is the currency that mainly influences the revenue and cost of goods sold. The Cooperative Management is determining the functional currency is the rupiah.

Estimates and Assumptions

The main assumption of the future and the other major source of estimation uncertainty at the reporting date that have a significant risk of material adjustment to the carrying amounts of assets and liabilities for the period / next year disclosed below. Cooperative assumptions and estimates based on parameters available when the financial statements are prepared. And assumptions about the future development of the situation may change due to

3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI (Lanjutan)

Estimasi dan Asumsi (Lanjutan)

atau situasi di luar kendali Koperasi. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Penyusutan Aset Tetap
Beban perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 2 sampai dengan 7 tahun. Ini adalah umur yang secara umum diharapkan dalam industri di mana Koperasi menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya beban penyusutan masa depan mungkin direvisi (Catatan 8).

Instrumen Keuangan
Koperasi mencatat aset dan liabilitas keuangan tertentu pada nilai wajar, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar ditentukan menggunakan bukti obyektif yang dapat diverifikasi, jumlah perubahan nilai wajar dapat berbeda bila Koperasi menggunakan metodologi penilaian yang berbeda. Perubahan nilai wajar aset dan liabilitas keuangan tersebut dapat mempengaruhi secara langsung laba atau rugi Koperasi (Catatan 17).

4. PENYAJIAN KEMBALI LAPORAN KEUANGAN

Efektif tanggal 1 Januari 2014, Koperasi menetapkan secara retrospektif PSAK no 24, "Imbalan Kerja" catatan 2i.

Sebelum 1 Januari 2014, Koperasi belum menerapkan imbalan kerja karyawan. Alasan penerapan ini dikarenakan jumlah karyawan yang signifikan.

Sehubungan dengan penerapan PSAK no 24, "Imbalan Kerja" tersebut mengakibatkan penyajian kembali beberapa item laporan keuangan untuk tahun yang berakhir pada tanggal 31 Desember 2013.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(Continued)*

Estimates and Assumptions *(Continued)*

market changes or circumstances beyond the control of the Cooperative. The changes are reflected in the related assumptions at the time of the occurrence.

Depreciation of Fixed Assets
Load the fixed assets are depreciated using the straight-line method over the estimated economic useful life. Management estimates the useful lives of the assets between 2 to 7 years. This is the age that is generally expected in the industry in which the Cooperative does business. Changes in the level of usage and technological developments could impact the economic useful lives and residual values of assets, and therefore future depreciation expenses may be revised (Note 8).

Financial Instruments
Cooperative record certain financial assets and liabilities at fair value, which requires the use of accounting estimates. While significant components of fair value measurement determined above using verifiable objective evidence, the amount of change in fair value may differ if the cooperative use of different valuation methodologies. Changes in fair value of financial assets and liabilities that could affect profit or loss directly Cooperative (Note 17).

4. RESTATED FINANCIAL STATEMENTS

As of 1 January 2014, the Cooperativeis restrospectively applying PSAK no 24, "Employee Benefit", notes 2i.

Before 1 January 2014, the Cooperative has not applied the Employe Benefit. The reason of the recognitionis because the number of its employees is significant.

The adoption of PSAK no 24, "Employee Benefit" has caused restatement in several items of the financial statements for the year ended 31 Desember 2013.

(Expressed in Rupiah)

4. PENYAJIAN KEMBALI LAPORAN KEUANGAN (Lanjutan)

4. RESTATED FINANCIAL STATEMENTS *(Continued)*

Perkiraan	**Dilaporkan Sebelumnya/ *Previous Reported***	**Penyesuaian/ *Adjustment***	**Dilaporkan Kembali/ *Present Reported***	**Account**
Liabilitas imbalan kerja	-	41.053.537	41.053.537	*Employee benefit obligation*
Beban imbalan kerja	-	19.181.957	19.181.957	*Employee benefit expenses*
Biaya operasional	515.183.810	19.181.957	534.365.767	*Operational expense*
Jumlah Beban	516.514.871	19.181.957	535.696.828	*Total Expense*
Laba sebelum pajak penghasilan	82.996.602	(19.181.957)	63.814.645	*Income before income tax*
Laba bersih	81.996.602	(19.887.139)	62.109.463	*Net income*
Liabilitas jangka panjang	-	41.053.537	41.053.537	*Long-term liability*
Jumlah liabilitas	1.325.124.542	41.053.537	1.366.178.079	*Total liabilities*
Jumlah saldo laba (rugi) ditahan	21.911.214	(41.053.537)	(19.142.323)	*Retained earnings (loss)*
Jumlah ekuitas	1.100.979.828	(41.053.537)	1.059.926.291	*Total equity*
Jumlah liabilitas dan ekuitas	2.426.104.370	-	2.426.104.370	*Total liabilities and equity*

5. KAS DAN SETARA KAS

5. CASH AND CASH EQUIVALENTS

	2014	**2013**	
Terdiri atas:			*Consisting of:*
Kas	31.533.400	48.604.000	*Cash*
PT Bank BRI	7.132.806	286.719.463	*PT Bank BRI*
PT Bank CIMB Niaga	34.230.532	21.461.767	*PT Bank CIMB Niaga*
Jumlah Kas dan Setara Kas	**72.896.738**	**356.785.230**	***Total Cash and Cash Equivalents***

6. PIUTANG USAHA

6. ACCOUNT RECEIVABLES

	2014	**2013**	
Terdiri atas:			*Consisting of:*
Pinjaman Sejahtera	3.831.732.000	1.730.813.000	*Sejahtera Loans*
Pinjaman Tumbuh	-	274.101.639	*Tumbuh Loans*
Pinjaman Maju	-	21.131.500	*Maju Loans*
Pinjaman Pribadi	5.966.665	3.579.737	*Individual Loans*
Pinjaman Karyawan	11.550.000	-	*Employee Loans*
Pinjaman Lainnya	857.402	6.819.998	*Other Loans*
Jumlah	3.850.106.067	2.036.445.874	*Total*
Penyisihan penurunan nilai piutang	(38.500.000)	(15.000.000)	*Provision for impairment of receivables*
Jumlah piutang – net	**3.811.606.067**	**2.021.445.874**	***Total receivables - net***

(Expressed in Rupiah)

6. PIUTANG USAHA (Lanjutan)

Manajemen Koperasi menetapkan penyisihan penurunan nilai atas piutang pada tanggal 31 Desember 2014 sejumlah Rp 38.500.000 dan 2013 adalah Rp 15.000.000.

6. ACCOUNT RECEIVABLES (Continued)

Cooperative Management establishes the allowance for impairment of accounts receivable at December 31, 2014 amounting to Rp 38.500.000 and 2013 was Rp 15.000.000.

7. BIAYA DIBAYAR DIMUKA / *7. PREPAID EXPENSES*

	2014	2013	
Terdiri atas:			*Consisting of:*
Sewa dibayar di muka	74.033.064	6.500.000	*Prepaid rent*
Jumlah	**74.033.064**	**6.500.000**	***T o t a l***

Biaya dibayar dimuka adalah biaya kontrak mess karyawan untuk 1 tahun (12 bulan), terhitung dari tanggal 14 Juli 2014 s/d 14 Juli 2015 sejumlah Rp 5.500.000,- dan biaya kontrak rumah untuk 5 tahun (60 bulan), terhitung dari tanggal 14 Juli s/d 13 Juli 2019 sejumlah Rp 78.500.000,. Untuk periode tahun 2013, terdiri dari biaya kontrak rumah untuk satu tahun (12 bulan), terhitung dari tanggal 15 Juni 2012 s/d 15 Juni 2013 sejumlah Rp 13.000.000.-

Prepaid expenses are the cost of the employee mess contract for one year (12 months), commencing from the date of 14 July until 14 July 2015 amounting to Rp 5.500.000,- and the cost of the contract for five years (60 months), commencing from the date of 14 July until 13 July 2019 ammounting to Rp 78.500.000,-. For the period 2013, the cost of the contract for one year (12 months), commencing from the date of June 15, 2012 s / d June 15, 2013 amounting to Rp 13.000.000. -

8. ASET TETAP / *8. FIXED ASSETS*

2014	**SaldoAwal/*Beginning Balance*** *1 Jan 2014*	**Tambahan (Reklasifikasi)/ *Additions (Reclassification)***	**Pengurangan (Reklasifikasi)/ *Deduction (Reclassification)***	**Saldo Akhir/ Ending *Balance*** *31 Dec 2014*	
Nilai Perolehan:					***Acquisition Value:***
Motor	33.300.000	-	-	33.300.000	*Motorcycle*
Sepeda	9.544.750	-	-	9.544.750	*Bicycle*
Peralatan kantor	14.737.600	15.424.600	-	30.162.200	*Office equipments*
Jumlah	**57.582.350**	**15.424.600**	**-**	**73.006.950**	***Total***
Akumulasi Penyusutan					***Accumulated Depreciation***
Motor	5.570.241	4.757.143	-	10.327.384	*Motorcycle*
Sepeda	9.446.000	98.750	-	9.544.750	*Bicycle*
Peralatan kantor	3.486.443	7.302.264	-	10.788.706	*Office equipments*
Jumlah	18.502.684	12.158.157	-	30.660.840	*Total*
Nilai Buku	**39.079.666**			**42.346.110**	***Book Value***

(Expressed in Rupiah)

8. ASET TETAP (Lanjutan) / *8. FIXED ASSETS (Continued)*

2013	SaldoAwal/ *Beginning Balance* 1 Jan 2013	Tambahan (Reklasifikasi)/ *Additions (Reclassification)*	Pengurangan (Reklasifikasi)/ *Deduction (Reclassification)*	Saldo Akhir/ Ending *Balance* 31 Dec 2013	
Nilai Perolehan:					***Acquisition Value :***
Motor	11.500.000	21.800.000	-	33.300.000	*Motorcycle*
Sepeda	9.544.750	-	-	9.544.750	*Bicycle*
Peralatan kantor	7.028.000	7.709.600	-	14.737.600	*Office equipments*
Jumlah	**28.072.750**	**29.509.600**	**-**	**57.582.350**	***Total***
Akumulasi Penyusutan					***Accumulated Depreciation***
Motor	684.525	4.885.716	-	5.570.241	*Motorcycle*
Sepeda	5.943.708	3.502.292	-	9.446.000	*Bicycle*
Peralatan kantor	467.445	3.018.998	-	3.486.443	*Office equipments*
Jumlah	7,095.678	11.407.006	-	18.502.684	*Total*
Nilai Buku	**20.977.072**			**39.079.666**	***Book Value***

Beban penyusutan periode tahun 2014 dan 2013 dibebankan pada beban pokok penjualan dan beban umum dan administrasi adalah sebagai berikut:

Period depreciation expense in 2014 and 2013 charged to cost of sales and general and administrative expenses are as follows:

	2014	2013	
Beban umum dan administrasi	12.158.157	11.407.006	*General and administrative expenses*
Jumlah	**12.158.157**	**11.407.006**	***Total***

9. HUTANG USAHA / *9. ACCOUNT PAYABLE*

	2014	2013	
Terdiri atas:			*Consisting of:*
Tabungan Pribadi	310.292.300	121.197.800	*Individual Savings*
Tabungan Lainnya	7.074.500	27.881.000	*Other Savings*
Tabungan Tumbuh	36.459.536	317.443.425	*Tumbuh Savings*
Tabungan Wajib	881.856.250	276.067.250	*Sejahtera Savings*
Tabungan Masa Depan	350.103.000	31.000.000	*Voluntary Savings*
Tabungan Karyawan	1.860.000	6.160.000	*Employee Savings*
Jumlah	**1.587.645.586**	**779.749.475**	***Total***

Hutang usaha adalah uang tabungan para anggota dan pengguna jasa koperasi.

Trade payables are saving money and the members of the cooperative service users.

(Expressed in Rupiah)

10. BIAYA YANG MASIH HARUS DIBAYAR

Biaya yang masih harus dibayar merupakan biaya bunga dan biaya untuk keperluan operasional koperasi yang belum dibayar pada akhir tahun 2014 dan 2013 sejumlah Rp 94.666.746 dan Rp 20.874.567.-

10. *ACCRUED EXPENSES*

Accrued expenses are interest expense and operating expenses for the purposes of the cooperative who have not paid by the end of 2014 and 2013 a number of Rp 94.666.746 and Rp 20.874.567.-

11. UANG TITIPAN

Akun ini sebagian besarnya adalah uang titipan bank PT Bank CIMB Niaga dan Yayasan Indonesia Bright yang diperuntukkan bagi beasiswa untuk anak anggota Koperasi yang disalurkan setiap bulan, dimulai pada tahun 2013.

11. *MONEY DEPOSITED*

This account consists mainly of deposited money from PT Bank CIMB Niaga and Foundation Indonesia Bright earmarked for scholarships for children of members of the Cooperative which are distributed every month, starting in the year 2013.

12. UTANG JANGKA PANJANG

Akun ini adalah pinjaman yang berasal dari kreditur individu maupun institusi.

12. *LONG TERM DEBT*

This account is a loan that is derived from individual and institutional lenders.

13. LIABILITAS IMBALAN KERJA KARYAWAN

Sesuai dengan perhitungan aktuaria PT Kompujasa Aktuaria Indonesia no. 580/TEK-AI/XI/2015 tanggal 23 November 2015, imbalan kerja karyawan terdiri dari:

13. *EMPLOYEE BENEFIT LIABILITIES*

Based on the calculation of actuarial PT Kompujasa Aktuaria Indonesia no580/TEK-AI/XI/2015 dated 23 November 2015, employee benefit consist of:

	2014	2013	
Saldo awal 1 Januari	41.053.537	21.166.398	*Beginning balance 1st January*
Biaya tahun berjalan	38.248.438	19.887.139	*Expense recognized during the year*
Jumlah	**79.301.975**	**41.053.537**	***Total***

14. MODAL

Komposisi modal koperasi per 31 Desember 2014 dan 2013 adalah sebagai berikut:

14. *CAPITAL*

The composition of the cooperative capital per December 31, 2014 and 2013 are as follows:

	2014	2013	
Modal Leonardo Kamilius	298.444.610	68.969.610	*Leonardo Kamilius' capital*
Modal Donasi	1.115.022.004	1.001.132.004	*Donatedcapital*
Simpanan Pokok	6.672.000	8.857.000	*Principal savings*
Simpanan Wajib	110.000	110.000	*Compulsory savings*
SHU Belum Dibagi	126.352.786	(19.142.323)	*SHU Not Divided*
Jumlah	**1.546.601.400**	**1.059.926.291**	***Total***

KOPERASI KASIH INDONESIA
CATATAN ATAS LAPORAN KEUANGAN (Lanjutan)
Untuk Tahun yang Berakhir
31 Desember 2014 dan 2013
(Dinyatakan dalam Rupiah)

KOPERASI KASIH INDONESIA
NOTES TO THE FINANCIAL STATEMENTS(Continued)
For the Years Ended
December 31, 2014 and 2013
(Expressed in Rupiah)

15. PENDAPATAN USAHA

15. *OPERATING REVENUES*

	2014	2013	
Terdiri atas			*Consists of:*
Pendapatan administrasi			*Incomefrom administration*
Pendapatan administrasi pinjaman Sejahtera	386.264.000	112.789.000	*Sejahtera Loan administration income*
Pendapatan administrasi pinjaman Karyawan	15.000		*Employee Loan administration income*
Pendapatan administrasi pinjaman Tumbuh	-	64.108.000	*TumbuhLoan administration income*
Pendapatan administrasi pinjaman Maju	-	21.600.000	*Maju Loan administration income*
Pendapatan administrasi Tabungan Masa Depan	-	1.700.000	*VoluntarySavings administration income*
Pendapatan administrasi pinjaman Pribadi	310.333	1.154.168	*Individual Loan administration income*
Pendapatan administrasi pinjaman lainnya	-	150.000	*Other loans administration income*
Pendapatan bagi hasil pinjaman Tumbuh	28.243.750	196.114.000	*Tumbuh Loan interest revenue*
Pendapatan bagi hasil pinjaman Sejahtera	1.121.764.500	134.987.750	*Sejahtera Loan interest revenue*
Pendapatan bagi hasil pinjaman Maju	2.256.000	62.268.000	*Maju Loan interest revenue*
Pendapatan bagi hasil pinjaman Bulan Puasa	-	2.800.000	*Fasting Month Loan interestrevenue*
Pendapatan bagi hasil pinjaman pribadi	3.255.666	2.710.335	*Individual loan interest revenue*
Pendapatan bagi hasil pinjaman lainnya	-	1.647.998	*Other loans interest revenue*
Pendapatan bagi hasil pinjaman Karyawan	285.000	10.000	*Employee Loan interestrevenue*
Jumlah	**1,542.394.249**	**602.039.251**	***Total***

(Expressed in Rupiah)

16. BIAYA OPERASIONAL

16. OPERATING EXPENSES

Biaya operasional adalah sebagaiberikut :

Operating expenses are as follows:

	2014	2013	
Gaji	899.485.371	398.610.000	*Salaries*
Beban pelatihan	85.500.937	-	*Training costs*
Biaya asuransi	76.134.527	5.383.460	*Insurance costs*
Biaya transportasi	52.911.668	9.277.109	*Transportation expenses*
Biaya cetak dan fotocopy	41.707.705	19.898.940	*Print and copy costs*
Biaya perlengkapan kantor	40.180.380	21.282.945	*Office supplies*
Beban imbalan kerja karyawan	36.888.226	19.181.957	*Employee benefit expense*
Biaya penghapusan piutang	35.500.000	17.106.000	*Receivable write-off costs*
Biaya sewa kantor	21.011.936	13.000.003	*Office rental costs*
Biaya publikasi, promosi dan iklan	14.970.800	3.068.400	*Publication, promotion and advertisement costs*
Biaya depresiasi	12.158.156	11.407.006	*Depreciation expenses*
Biaya audit	10.800.000	10.000.000	*Audit fee*
Beban mess karyawan	8.500.000	-	*Employee mess costs*
Biaya konsumsi	7.247.209	1.773.500	*Consumption costs*
Beban legal	5.500.000	-	*Legal fee*
Biaya pemeliharaan dan perbaikan	3.666.000	829.500	*Maintenance and reparation costs*
Biaya administrasi bank	3.586.535	2.364.153	*Bank charges*
Biaya PAM dan listrik	3.462.659	679.794	*PAM and electricity costs*
Biaya telekomunikasi	2.675.500	503.000	*Telecommunications costs*
Jumlah	**1.361.887.609**	**534.365.767**	***Total***

17.KELOMPOK INSTRUMEN KEUANGAN

17. GROUPS OF FINANCIAL INSTRUMENTS

Tabel di bawah ini menyajikan perbandingan atas nilai tercatat dengan nilai wajar dari instrumen keuangan Koperasi yang tercatat dalam laporan keuangan pada tanggal 31 Desember 2014:

The table below presents a comparison of the carrying value over the fair value of financial instruments Cooperative recorded in the financial statements at December 31, 2014:

	Nilai Tercatat/ *Carrying Value*	Nilai Wajar/ *Fair Value*	
Aset keuangan			*Financial assets*
Kas dan setara kas	72.896.738	72.896.738	*Cash and cash equivalents*
Piutang usaha	3.811.606.067	3.811.606.067	*Accounts receivables*
Jumlah	**3.884.502.805**	**3.884.502.805**	***Total***

(Expressed in Rupiah)

17.KELOMPOK INSTRUMEN KEUANGAN (Lanjutan)

17. GROUPS OF FINANCIAL INSTRUMENTS *(Continued)*

	Nilai Tercatat/ *Carrying Value*	Nilai Wajar/ *Fair Value*	
Liabilitas keuangan			*Financial liabilities*
Hutang usaha	1.587.645.586	1.587.645.586	*Account payables*
Biaya yang masih harus dibayar	94.666.746	94.666.746	*Accrued expenses*
Utang jangka panjang < 1 thn	650.000.000	650.000.000	*Long-term debt < 1 year*
Jumlah	**2.332.312.332**	**2.332.312.332**	***Total***

Aset dan liabilitas keuangan jangka pendek

Nilai wajar kas dan setara kas, piutang usaha, piutang lain-lain, hutang usaha, hutang bank jangka pendek dan biaya masih harus dibayar jatuh tempo dalam jangka pendek maka nilai tercatat mendekati estimasi nilai wajarnya karena jangka waktu jatuh tempo yang singkat atas instrumen keuangan tersebut.

Assets and short-term financial liabilities

The fair value of cash and cash equivalents, accounts receivable, other receivables, accounts payable,short-term bank loans and accrued expenses in the short-term maturity carrying values closer to the estimated fair value as maturities are short of financial instruments such.

18. MANAJEMEN RISIKO

a. Pendahuluan dan tinjauan

Dewan Pengurus memiliki tanggung jawab keseluruhan untuk menetapkan dan mengawasi kerangka manajemen risiko. Pengurus telah menetapkan fungsi keuangan yang bertanggung jawab untuk mengelola, mengembangkan dan memantau kebijakan manajemen risiko Koperasi. Sedangkan fungsi internal audit memiliki tanggung jawab untuk mengevaluasi dan meningkatkan efektivitas kebijakan dan prosedur manajemen risiko, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Koperasi dengan memberikan laporannya kepada Pengurus.

18. RISK MANAGEMENT

a. Introduction and overview

The Governing Council has overall responsibility for establishing and overseeing the risk management framework. Board has determined that the finance function is responsible for managing, developing and monitoring risk management policies Cooperative. While the internal audit function has the responsibility to evaluate and improve the effectiveness of risk management policies and procedures, and to review the adequacy of the risk management framework associated with the risks faced by the Cooperative to provide a report to the Board.

18.MANAJEMEN RISIKO (Lanjutan)

a. Pendahuluan dan tinjauan (Lanjutan)

Tujuan keseluruhan dari manajemen risiko adalah untuk mengidentifikasi dan menganalisa risiko-risiko yang dihadapi Koperasi, menetapkan batasan risiko dan pengendalian yang sesuai, serta untuk mengawasi risiko dan kepatuhan terhadap batasan yang telah ditetapkan, namun tanpa terlalu memengaruhi daya saing Koperasi dan fleksibilitas.

Koperasi menghadapi risiko dari instrumen keuangan sebagai berikut:

• Risiko kredit
• Risiko pasar
• Risiko likuiditas
• Risiko operasional

b. Risiko kredit
Risiko kredit adalah risiko terjadinya kerugian keuangan yang disebabkan pelanggan anggota Koperasi gagal memenuhi kewajibannya dalam pembayaran pinjaman.

Risiko kredit dikelola terutama melalui penetapan kebijakan-kebijakan dalam pemberian fasilitas penjualan kredit. Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposure maksimum terhadap risiko kredit sama dengan nilai tercatatnya.

c. Risiko pasar
Risiko pasar adalah risiko yang timbul karena nilai wajar arus kas masa depan suatu instrumen keuangan berfluktuasi sebagai akibat dari perubahan harga pasar yang menggambarkan risiko tingkat suku bunga dan risiko mata uang asing.

d. Risiko likuiditas
Risiko likuiditas adalah risiko yang antara laindisebabkan karena Koperasi tidak mampu memenuhi liabilitas yang telah jatuh tempo.

e. Risiko operasional
Risiko operasional adalah risiko kerugian yang diakibatkan oleh kurang memadainya atau kegagalan dari proses internal, faktor manusia dan sistem atau dari kejadian-kejadian eksternal. Risiko ini melekat dalam semua proses bisnis, kegiatan operasional, sistem dan produk Koperasi.

18. RISK MANAGEMENT *(Continued)*

a. Introduction and overview (Continued)

The overall objective of risk management is to identify and analyze the risks faced by cooperatives, set risk limits and controls are appropriate, as well as to monitor risks and adherence to limits that have been set, but without unduly affecting the competitiveness of cooperatives and flexibility.

Cooperative run the risk of financial instruments as follows:

• Credit Risk
• Market Risk
• Liquidity risk
• Operational Risk

b. Credit risk
Credit risk is the risk of financial loss caused by customers Cooperative members failed to meet its obligations under the loan payments.

Credit risk is managed primarily through the establishment of policies in granting credit sales facility. For financial assets recognized in the balance sheet, the maximum exposure to credit risk is equal to its carrying value.

c. Market risk
Market risk is the risk arising from the fair value of future cash flows of a financial instrument fluctuates as a result of changes in market prices which described interest rate risk and foreign currency risk.

d. Liquidity risk
Liquidity risk is the risk that is partly because the cooperative is unable to meet obligations that have matured.

e. Operational risk
Operational risk is the risk of loss resulting from inadequate or failure of internal processes, human factors and systems or from external events. This risk is inherent in all business processes, operations, systems and product Cooperative.

Contact Details

+62855 825 2218

koperasi.kasih.indonesia@gmail.com

www.kasihindonesia.com

Jl. Cilincing Baru, Gang 2 No. 27
RT13 RW01, Jakarta Utara 14120

Bank Account Details

Bank Rakyat Indonesia (BRI)

Account No.	: 1223.01.000112.30.9
Name	: Koperasi Kasih Indonesia
Branch	: Mal Ambassador
Transfer Code	: 002
Swift Code	: BRINIDJA