

**ANNUAL REPORT  
OF THE INTEGRATED  
GOVERNANCE  
IMPLEMENTATION**

**FINANCIAL CONGLOMERATE  
PT BANK CENTRAL ASIA Tbk**

**FINANCIAL YEAR 2023**

# ANNUAL REPORT OF INTEGRATED GOVERNANCE IMPLEMENTATION OF THE FINANCIAL CONGLOMERATE PT BANK CENTRAL ASIA Tbk YEAR 2023

Annual Report of The Integrated Governance Implementation of The Financial Conglomerate PT Bank Central Asia Tbk (“**BCA**”) year 2023 was prepared in accordance with:

1. Financial Services Authority Regulation Number 18/POJK.03/2014 dated 18 November 2014 regarding Implementation of Integrated Governance for Financial Conglomerates;
2. Financial Services Authority Regulation No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks, and as revoked by Financial Services Authority Regulation No. 17 of 2023 dated September 14, 2023 concerning the Implementation of Governance for Commercial Banks (herinafter referred as “**Financial Services Authority Regulation concerning the Implementation of Governance for Commercial Banks**”);
3. Financial Services Authority Circular Letter Number 15/SEOJK.03/2015 dated 25 May 2015 on Implementation of Integrated Governance for Financial Conglomerates; and
4. Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 1 March 2017 on Implementation of Governance for Commercial Banks.

## Table of Content

Annual Report of The Integrated Governance Implementation of The Financial Conglomerates of BCA year 2023 at least consist of:

I.	Self Assessment Report on the Integrated Governance Implementation for financial year 2023	Page	2
II.	Financial Conglomerate Structure as of 31 December 2023	Page	3
III.	Share Ownership Structure In Financial Conglomerate Which Describes The Parties Who Are Shareholders Of Financial Services Institutions (Subsidiaries) In The Financial Conglomerate Up To The Ultimate Controlling Shareholder	Page	3
IV.	Management Structure in Main Entity and Financial Services Institution (Subsidiaries) of BCA’s Financial Conglomerate	Page	6
V.	Intra-Group Transaction Policy	Page	14
	1. Supervision of BCA’s Board of Commissioners and Board of Directors as Main Entity		
	2. Adequacy of Policy, Procedure, and Implementation of Intra-group Transaction Risk Limit		
	3. Adequacy of Identification Process, Measurement, Monitoring, and Risk Control and Information System of Intra-Group Transaction Risk Management		
	4. Internal Control System Towards the Implementation of Intra-Group Transaction Risk		
VI.	Implementation Corporate Governance Report of BCA	Page	16
	1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017		
	2. Self-Assessment Report Implementation of GCG year 2023 in accordance with The Attachment IV Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017		
	3. Improvement in the quality of governance that has been carried out by BCA throughout 2023		

**I. SELF ASSESSMENT REPORT ON THE INTEGRATED GOVERNANCE IMPLEMENTATION FOR FINANCIAL YEAR 2023**

According to the provisions in Financial Services Authority No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates Articles 44 and 45 in Chapter VIII concerning Reporting and Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerates, BCA as the Main Entity is required to prepare and submit regular integrated governance implementation assessment reports to the Financial Services Authority.

Integrated Governance implementation is assessed every semester (twice a year). BCA, as the Main Entity, carried out an integrated governance implementation self-assessment for Semester I and Semester II in 2023. The assessment covers 3 (three) aspects of Integrated Governance, namely Integrated Governance Structure, Process, and Results.

The Integrated Governance implementation assessment includes at least 7 (seven) factors, namely:

1. Implementation of duties and responsibilities of the Main Entity Board of Directors;
2. Implementation of duties and responsibilities of the Main Entity Board of Commissioners;
3. Duties and responsibilities of the Integrated Governance Committee;
4. Duties and responsibilities of the Integrated Compliance Work Unit;
5. Duties and responsibilities of the Integrated Internal Audit Work Unit;
6. Implementation of Integrated Risk Management;
7. Preparation and implementation of Integrated Governance Guidelines.

Main Entity : PT Bank Central Asia Tbk  
 Position of Report: December 31, 2023

**The Result of Self-Assessment of the Implementation of Integrated Corporate Governance for Semester I and Semester II Year 2023**

	Ranking	Ranking Definition
Semester I	1	The Financial Conglomerate has implemented Integrated Governance that is generally <b>very good</b> . This is reflected in the adequate fulfillment of the implementation of Integrated Governance principles. In the event of flaws in the implementation of Integrated Governance are discovered, they are not significant in general and can be immediately corrected by the Main Entity and/or FSI.
Semester II	1	The Financial Conglomerate has implemented Integrated Governance that is generally <b>very good</b> . This is reflected in the adequate fulfillment of the implementation of Integrated Governance principles. In the event of flaws in the implementation of Integrated Governance are discovered, they are not significant in general and can be immediately corrected by the Main Entity and/or FSI.

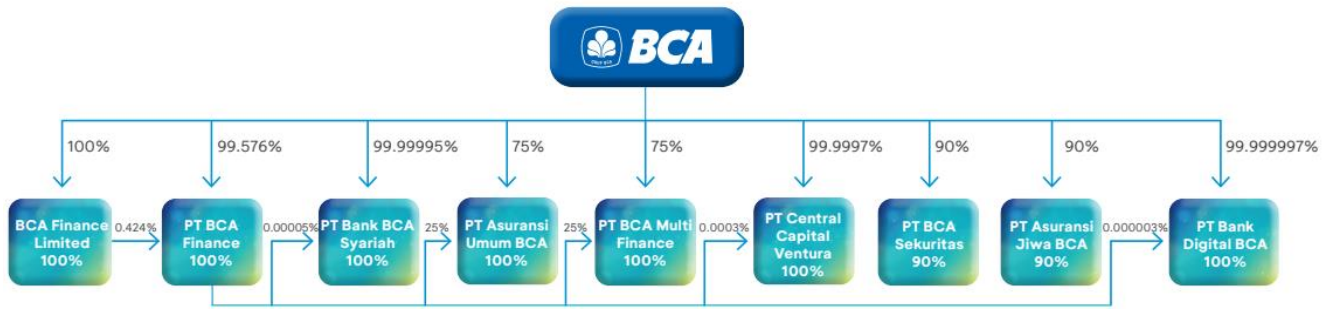
**Analysis:**

Based on the self assessment analysis to the Integrated Governance structure, Integrated Governance process, and Integrated Governance result on each assessment factor for Integrated Governance implementation, can be concluded as follows:

1. Integrated Governance Structure based on the assessment result is complete.
2. Integrated Governance Process based on the assessment result is very effective while it is supported by a complete structure.
3. Integrated Governance Result based on the assessment result is highly qualified, which generated from the aspect of Integrated Governance process which is very effective and supported by a complete structure.

## II. BCA FINANCIAL CONGLOMERATE STRUCTURE AS OF 31 DECEMBER 2023

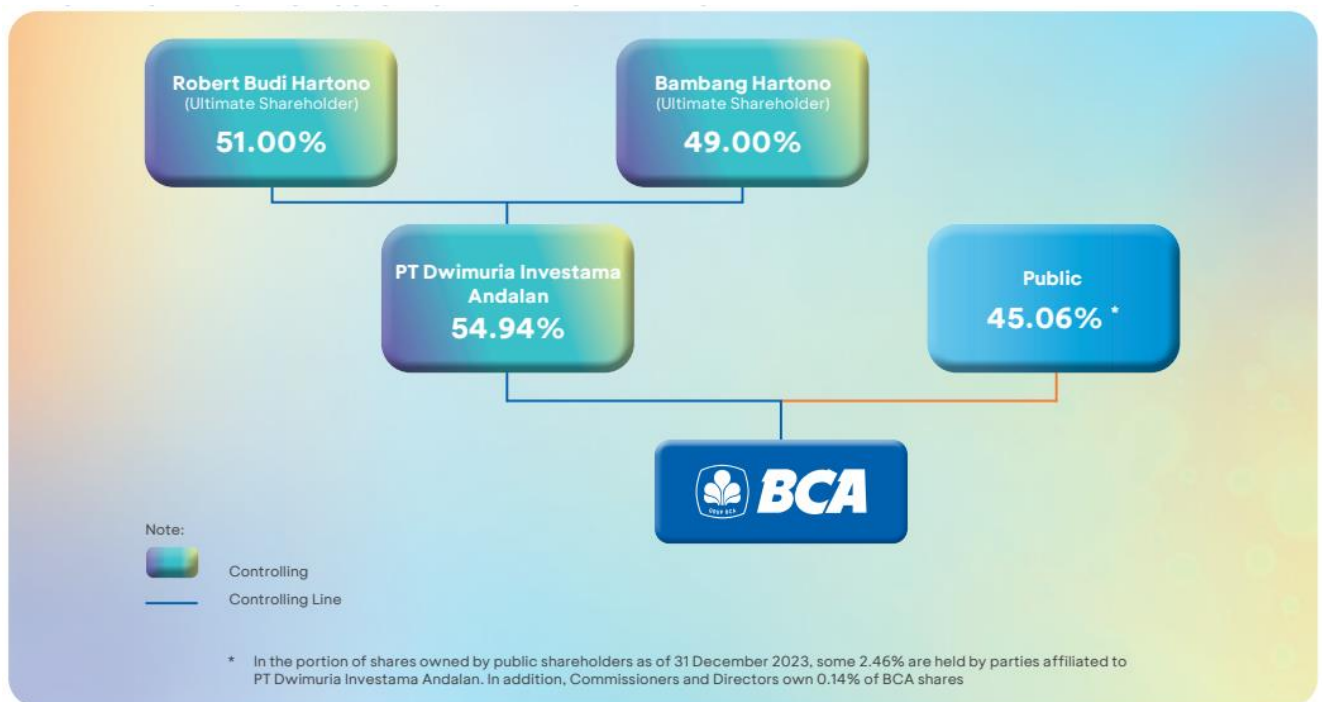
The structure of the BCA's Financial Conglomerate as of 31 December 2023 is as follows:



## III. SHARE OWNERSHIP STRUCTURE IN FINANCIAL CONGLOMERATE WHICH DESCRIBES THE PARTIES WHO ARE SHAREHOLDERS OF FINANCIAL SERVICES INSTITUTIONS (SUBSIDIARIES) IN THE FINANCIAL CONGLOMERATE UP TO THE ULTIMATE CONTROLLING SHAREHOLDERS

As of December 31, 2023, the share ownership structure in BCA's Financial Conglomerate is as follows:

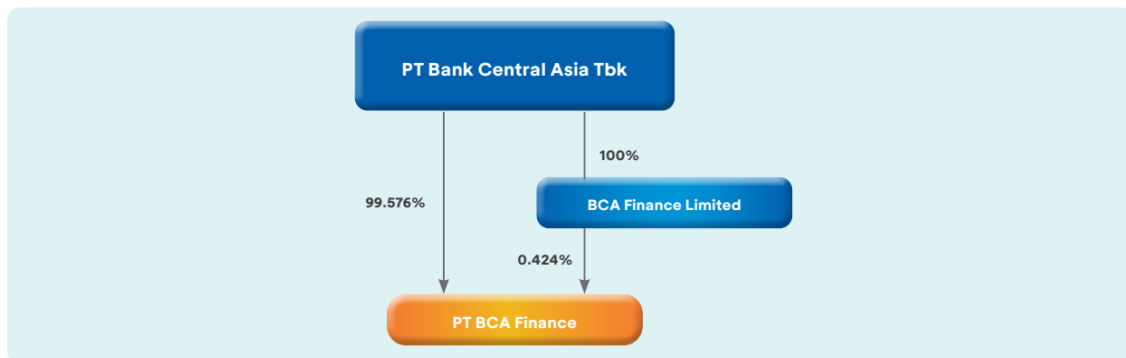
- SHARE OWNERSHIP STRUCTURE OF PT BANK CENTRAL ASIA TBK



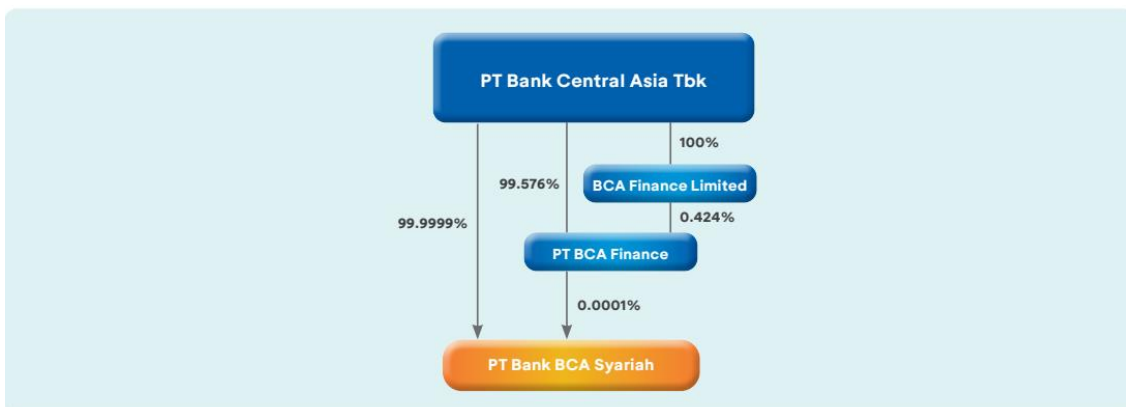
- SHARE OWNERSHIP STRUCTURE OF BCA FINANCE LIMITED



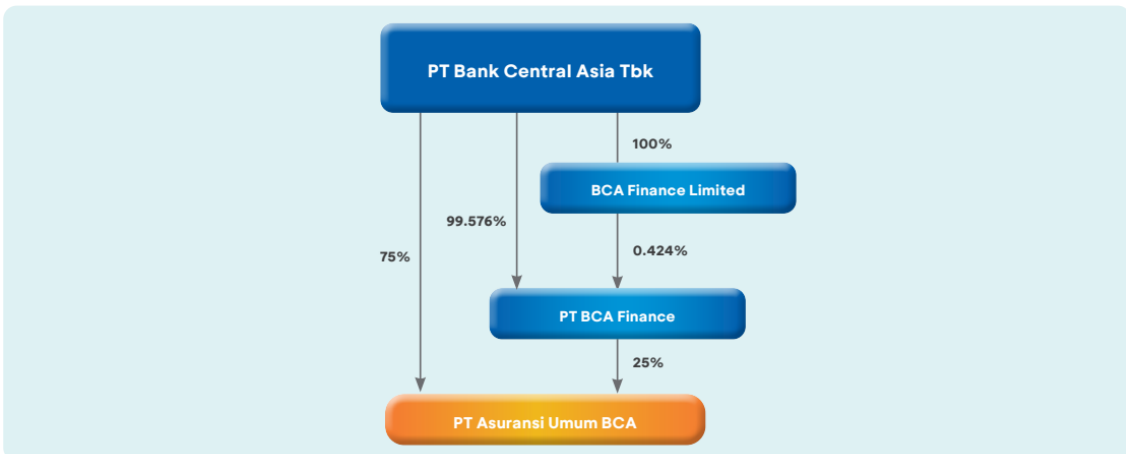
- SHARE OWNERSHIP STRUCTURE OF PT BCA FINANCE



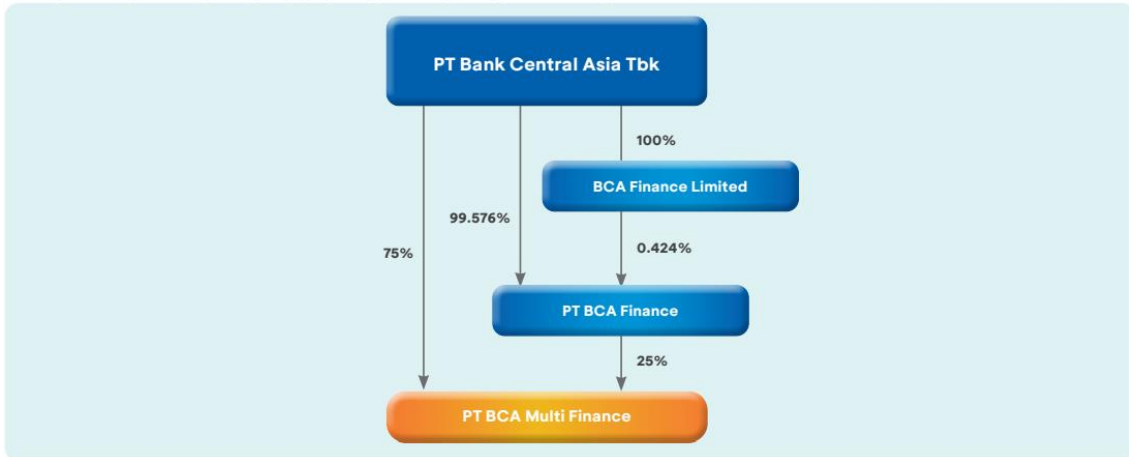
- SHARE OWNERSHIP STRUCTURE OF PT BANK BCA SYARIAH



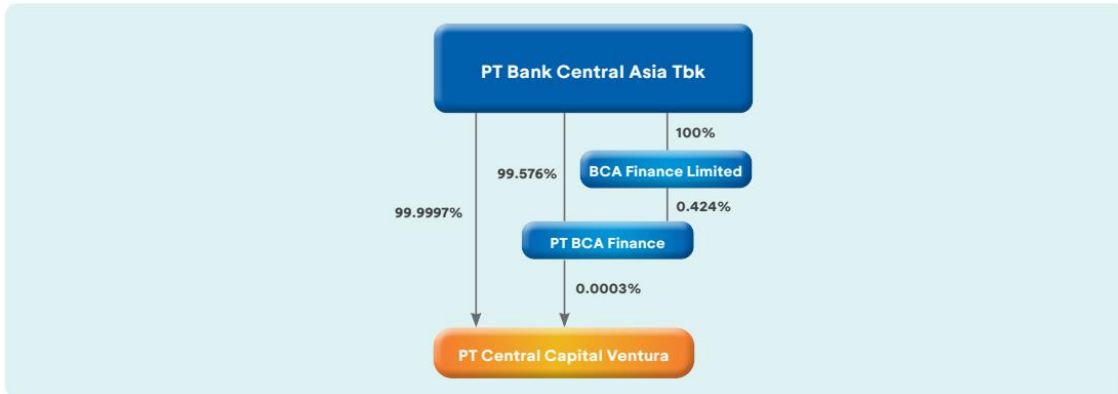
- SHARE OWNERSHIP STRUCTURE OF PT ASURANSI UMUM BCA



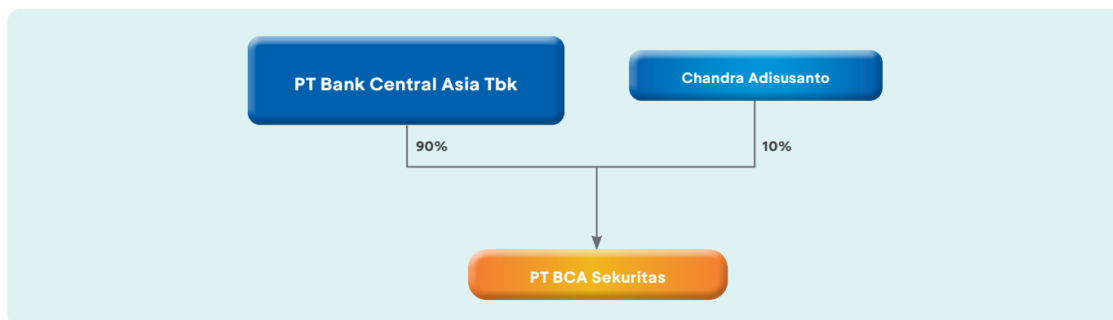
- SHARE OWNERSHIP STRUCTURE OF PT BCA MULTI FINANCE



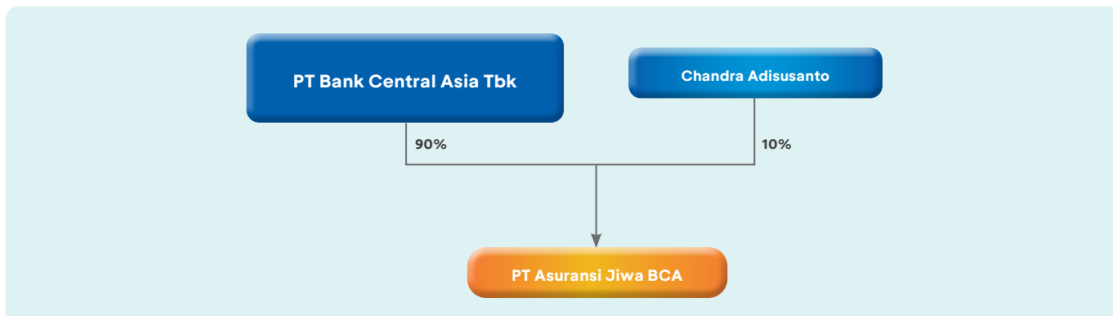
- SHARE OWNERSHIP STRUCTURE OF PT CENTRAL CAPITAL VENTURA



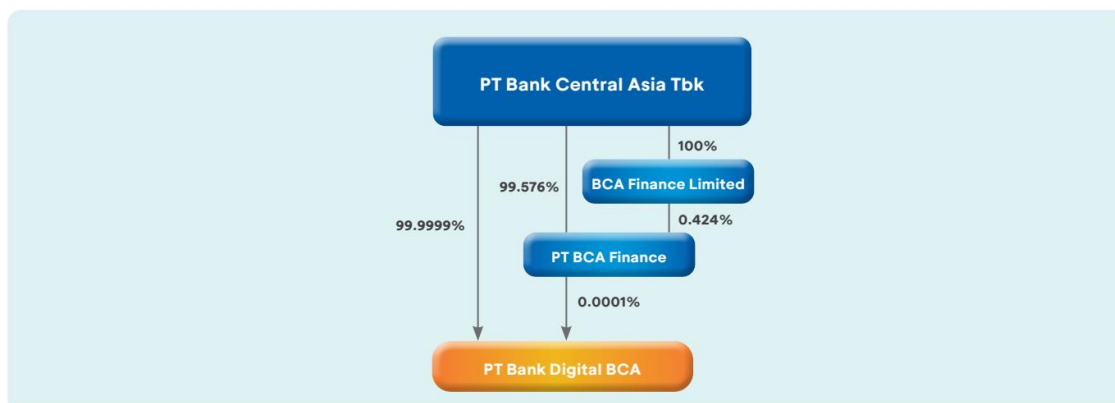
- SHARE OWNERSHIP STRUCTURE OF PT BCA SEKURITAS



- SHARE OWNERSHIP STRUCTURE OF PT ASURANSI JIWA BCA



- **SHARE OWNERSHIP STRUCTURE OF PT BANK DIGITAL BCA**



#### IV. MANAGEMENT STRUCTURE IN MAIN ENTITY AND FINANCIAL SERVICES INSTITUTION (Subsidiaries) OF BCA'S FINANCIAL CONGLOMERATE

##### Board of Commissioners

Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrellus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sumantri Slamet

##### Board of Directors

Position	Name
President Director	Jahja Setiaatmadja
Deputy President Director 1	Gregory Hendra Lembong
Deputy President Director 2	Armand Wahyudi Hartono
Director	Tan Ho Hien/Subur atau Subur Tan
Director	Rudy Susanto
Director (concurrently serving as Director in charge of the Compliance function)	Lianawaty Suwono
Director	Santoso
Director	Vera Eve Lim
Director	Haryanto T. Budiman
Director	Frengky Chandra Kusuma
Director	John Kosasih
Director	Antonius Widodo Mulyono

#### Main Entity Board of Commissioners and Board of Directors Duties and Responsibilities

##### 1. Duties and responsibilities of the Main Entity's Board of Commissioners:

###### a. Supervise the implementation of Integrated Governance, at least:

- 1) Supervise the implementation of governance in each Subsidiary so that it is in accordance with the Integrated Governance Guidelines;
- 2) Supervise the implementation of duties and responsibilities of the Main Entity's Board of Directors, as well as provide directions or advice to the Main Entity Board of Directors on the implementation of the Integrated Governance Guidelines; and
- 3) Evaluate the Integrated Governance Guidelines and direct their implementation for improvement.

###### b. Hold regular meetings at least 1 (one) time every semester. Meetings can be held via video

- conference.
- c. The minutes of meeting are written down and properly documented, as well as clearly stating the dissenting opinion that occurred at the meeting in the minutes of meeting along with the reasons for the difference of opinion.
  - d. Form Integrated Governance Committee.
2. Duties and responsibilities of the Main Entity Board of Directors:
- a. Ensure the implementation of Integrated Governance in the Financial Conglomeration, at least:
    - 1) Formulate Integrated Governance Guidelines;
    - 2) Direct, monitor, and evaluate the implementation of Integrated Governance Guidelines; and
    - 3) Follow up on the directions or advice of the Main Entity's Board of Commissioners in order to improve Integrated Governance Guidelines.
  - b. Ensure that audit findings and recommendations from the Integrated Internal Audit Work Unit, external auditors, and results of Financial Services Authority supervision and/or monitoring results from other authorities have been followed-up by Subsidiaries.

## MANAGEMENT STRUCTURE OF FSI IN THE FINANCIAL CONGLOMERATE OF BCA

### MANAGEMENT STRUCTURE OF BCA FINANCE LIMITED

#### DIRECTOR

Position	Name
Director	Andy Kwok Sau Lai
Director	Fanny Surjadi
Director	Irianto Sutanto

### MANAGEMENT STRUCTURE OF PT BCA FINANCE

#### BOARD OF COMMISSIONERS

Position	Name
President Commissioner	Suwigno Budiman
Commissioner	David Hamdan
Independent Commissioner	Sulistiyowati

#### BOARD OF DIRECTORS

Position	Name
President Director	Roni Haslim
Director	Petrus Santoso Karim
Director	Lim Handoyo
Director	Sugito Lie
Director	Liston Nainggolan <sup>1)</sup>

Note:  
<sup>1)</sup> serving since July 3, 2023



**MANAGEMENT STRUCTURE OF PT BANK BCA SYARIAH****BOARD OF COMMISSIONERS**

Position	Name
President Independent Commissioner	Tantri Indrawati*
President Independent Commissioner	Ratna Yanti**
Commissioner	Ina Widjaja*
Commissioner	Rickyadi Widjaja***
Independent Commissioner	Inge Setiawati***

Note:

\* serving until February 22, 2023

\*\* serving as Independent Commissioner until February 22, 2023 and since February 22, 2023 become the President of Independent Commissioner

\*\*\* serving since February 22, 2023

**BOARD OF DIRECTORS**

Position	Name
President Director	Yuli Melati Suryaningrum
Director in Charge of Compliance Function	Houda Muljanti
Director	Rickyadi Widjaja*
Director	Pranata
Director	Lukman Hadiwijaya
Director	Ina Widjaja**

Note:

\* serving until February 22, 2023

\*\* serving since February 22, 2023

**SHARIA SUPERVISORY BOARD**

Position	Name
Chairman	Prof. DR. H. Fathurrahman Djamil, MA
Member	Sutedjo Prihatono

**MANAGEMENT STRUCTURE OF PT ASURANSI UMUM BCA****BOARD OF COMMISSIONERS**

Position	Name
President Commissioner	Petrus Santoso Karim
Commissioner	Jacobus Sindu Adisuwono
Independent Commissioner	Gustiono Kustianto
Independent Commissioner	Gunawan Budi Santoso

**BOARD OF DIRECTORS**

Position	Name
President Director	Hendro Hadinoto Wenan
Director	Antonius
Director	Sri Angraini
Compliance Director	Arif Singgih Halim Wijaya

**MANAGEMENT STRUCTURE OF PT BCA MULTI FINANCE****BOARD OF COMMISSIONERS**

Position	Name
President Commissioner	Roni Haslim
Commissioner	Hermanto
Independent Commissioner	Mendari Handaya*
Independent Commissioner	Mathilda Simon**

Note:

\* serving until 9 August 2023

\*\* serving since August 9, 2023

**BOARD OF DIRECTORS**

Position	Name
President Director	Herwandi Kuswanto
Director	Adhi Purnama
Director	Suiman Agung
Director	Rudy Setiawan

**MANAGEMENT STRUCTURE OF PT CENTRAL CAPITAL VENTURA****BOARD OF COMMISSIONERS**

Position	Name
Commissioner	Jan Hendra

**BOARD OF DIRECTORS**

Position	Name
President Director	Armand Widjaja
Director	Michelle Suteja*
Director	Adi Prasetyo**

Note:

\* serving until April 2, 2023

\*\* serving since April 3, 2023.

**MANAGEMENT STRUCTURE OF PT BCA SEKURITAS****BOARD OF COMMISSIONERS**

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Ir. Hendra Iskandar Lubis

**BOARD OF DIRECTORS**

Position	Name
President Director	Mardi Henko Sutanto
Director	Imelda Arismunandar

**MANAGEMENT STRUCTURE OF PT ASURANSI JIWA BCA****BOARD OF DIRECTORS**

Position	Name
President Commissioner	Hariyanto
Commissioner	Ugahary Yovvy Chandra
Independent Commissioner	Pudjianto
Independent Commissioner	Hardjono

**BOARD OF DIRECTORS**

Position	Name
President Director	Christina Wahjuni Setyabudhi
Director	Yannes Chandra
Compliance Director	Ir. Sukawati Lubis
Director	Eva Agrayani Tjong

**MANAGEMENT STRUCTURE OF PT BANK DIGITAL BCA****BOARD OF COMMISSIONERS**

Position	Name
President Commissioner	Theresia Endang Ratnawati
Independent Commissioner	Ignatius Djulianto Sukardi*
Independent Commissioner	Ina Suwandi**
Independent Commissioner	Sri Indrajanti Dewi***
Independent Commissioner	Daniel Gunawan****

Note:

\* serving until June 30, 2023

\*\* serving since July 1, 2023

\*\*\* serving until July 31, 2023.

\*\*\*\* serving since August 1, 2023.

**BOARD OF DIRECTORS**

Position	Name
President Director	Lanny Budiati
Director	Iman Sentosa
Compliance Director	Nugroho Budiman

## Duties and responsibilities of the Board of Commissioners, the Board of Directors, and the Sharia Supervisory Board of FSI in Financial Conglomerate of BCA

1. The duties and responsibilities of the Board of Commissioners of FSI in BCA's Financial Conglomerate include at least the following:
  - a. Supervise the implementation of the governance, duties, and responsibilities of the Board of Directors and follow up on audit results from internal and external parties;
  - b. Form committees or appoint parties to carry out functions that support the Board of Commissioners' duties and responsibilities, at least audit monitoring committees or functions and compliance monitoring committees or functions;
  - c. Hold Board of Commissioners meetings that include at least the frequency, attendance, and decision making procedures; and
  - d. Set out work rules for the Board of Commissioners.
2. The duties and responsibilities of the FSI's Board of Directors in BCA's Financial Conglomerate include at least the following:
  - a. Implement the principles of Subsidiary Governance;
  - b. Follow up on audit results by internal and external parties;
  - c. Set out work rules; and
  - d. Organize meetings of the Board of Directors that at least include procedures for making decisions and meeting documentation.
3. The duties and responsibilities of the FSI's Sharia Supervisory Board in BCA's Financial Conglomerate, include at least the following:
  - a. Provide advice and suggestions to the Board of Directors and supervise the activities of Bank BCA Syariah so that they comply with Sharia Principles; and
  - b. Set out work rules for the Sharia Supervisory Board.

## Integrated Governance Structure in the BCA Financial Conglomerate

Entity	IGC <sup>*)</sup>	Compliance Function	Internal Audit Function	Risk Management Function
PT BCA Tbk (Main Entity)	√	√ (including the Integrated Compliance Function)	√ (including the integrated Audit Function)	√ (including the integrated Risk Management Function)
BCA Finance Limited	-	√	√	√
PT BCA Finance	-	√	√	√
PT Bank BCA Syariah	-	√	√	√
PT Asuransi Umum BCA	-	√	√	√
PT BCA Multi Finance	-	√	√	√
PT Central Capital Ventura	-	√	√	√
PT BCA Sekuritas	-	√	√	√
PT Asuransi Jiwa BCA	-	√	√	√
PT Bank Digital BCA	-	√	√	√

<sup>\*)</sup> The IGC is only required to be formed in the Main Entity with members including representatives of Independent Commissioners and/or members of the Sharia Supervisory Board from each FSI in the BCA Financial Conglomerate.

## Integrated Governance Committee (IGC)

Based on the Decree of the Board of Commissioners No. 037/SK/KOM/2015 concerning the Establishment of the Integrated Governance Committee dated February 26, 2015, BCA has formed IGC consisting of representatives of BCA Independent Commissioners, Independent Parties, and all representatives of Independent Commissioners and/or Members of the Sharia Supervisory Board of Subsidiaries. The IGC is tasked with assisting the Board of Commissioners of BCA as the Main Entity in supervising the implementation of Integrated Governance in BCA's Financial Conglomerate.

In 2023, adjustments have been made to the IGC members due to changes in the composition of the Subsidiary's Board of Commissioners. The following is the composition of the IGC members as of December 31, 2023.

#### Composition of the IGC Members

Name	Position in the Committee *)	Position in the Financial Conglomeration	Term of Office
<b>Member from the Main Entity</b>			
Cyrillus Harinowo	Chairman (concurrently member)	Main Entity's Independent Commissioner	May 6, 2021 – AGMS 2026
Prabowo	Member	Main Entity's Independent Party **)	May 6, 2021 – AGMS 2026
<b>Member from the Subsidiary ***)</b>			
Sulistiyowati	Member	Independent Commissioner PT BCA Finance	May 6, 2021 – AGMS 2026
Gustiono Kustianto	Member	Independent Commissioner PT Asuransi Umum BCA	May 6, 2021 – AGMS 2026
Pudjianto	Member	Independent Commissioner PT Asuransi Jiwa BCA	May 6, 2021 – AGMS 2026
Mendari Handaya	Member	Independent Commissioner PT BCA Multi Finance	May 6, 2021 – September 2023
Mathilda Simon	Member	Independent Commissioner PT BCA Multi Finance	September 14, 2023 – AGMS 2026
Ratna Yanti	Member	Independent Commissioner PT Bank BCA Syariah	March 31, 2022 – March 10, 2023
		Independent President Commissioner PT Bank BCA Syariah	March 10, 2023 – AGMS 2026
Sutedjo Prihatono*)	Member	Member of the Sharia Supervisory Board of PT Bank BCA Syariah	May 6, 2021 – AGMS 2026
Hendra Iskandar Lubis	Member	Independent Commissioner PT BCA Sekuritas	May 6, 2021 – AGMS 2026
Irianto Sutanto	Member	Independent Director BCA Finance Limited, Hongkong	May 6, 2021 – RUPST 2026
Sri Indrajanti Dewi	Member	Independent Commissioner PT Bank Digital BCA	May 6, 2021 – September 14, 2023
Ina Suwandi	Member	Independent Commissioner PT Bank Digital BCA	September 14, 2023 – AGMS 2026

**Note:**

\*) Membership of Independent Commissioners, Independent Parties, and Members of the Sharia Supervisory Board in the IGC of the Financial Conglomerate is not counted as concurrent positions.

\*\*) Members of the IGC who are independent parties are appointed by the Main Entity's Board of Commissioners.

\*\*\*) Appointment of IGC members who are Independent Commissioners and/or Members of the Sharia Supervisory Board who represent FSI in the BCA's Financial Conglomerate is based on the appointment of each FSI.

#### Integrated Compliance Work Unit

BCA, as the Main Entity in the BCA Financial Conglomeration, has added an integrated compliance function (Integrated Compliance and Gratification Control Aspect) within the Compliance Division (DCP) organization to monitor and evaluate the implementation of the compliance function at each FSI in the BCA Financial Conglomeration through coordination with the compliance function in each Subsidiary Company.

The Integrated Compliance and Gratification Control aspect has the following duties and responsibilities:

- a. Monitor and evaluate compliance function implementation in each Subsidiary Company.
- b. Develop the methods and processes required to put integrated compliance risk management into

action.

- c. In the context of implementing integrated risk management, assess and develop an integrated compliance risk profile.
- d. Prepare and submit reports to the Main Entity Compliance Director on the implementation of integrated compliance duties and responsibilities. Afterwards, the Main Entity's Compliance Director prepares and submits a report to the Main Entity's Board of Directors and Board of Commissioners on the implementation of integrated compliance duties and responsibilities.

#### **Integrated Internal Audit Work Unit**

BCA, as the Main Entity in BCA's Financial Conglomerate, has added an integrated internal audit function within the DAI organization to monitor the implementation of the internal audit function at each FSI within the Financial Conglomerate of BCA and provide recommendations that increase added value.

The Integrated Internal Audit Work Unit has the following duties and responsibilities:

- a. Assess the adequacy and effectiveness of risk management processes, internal control, and governance of Subsidiaries, and provide recommendations for improvement.
- b. Monitor the implementation of internal audits at each Subsidiary.
- c. Monitor and evaluate the adequacy of corrective follow-up on the audit results of Subsidiaries, and report them to the Board of Directors, Board of Commissioners and Main Entity Audit Committee.
- d. Submit an integrated internal audit report to the Director appointed to carry out the oversight function of Subsidiaries, the Board of Commissioners of the and the Director in charge of the compliance function of the Main Entity.
- e. Provide support to Subsidiaries in developing the internal audit function.

#### **Implementation of Integrated Risk Management**

In accordance with Financial Services Authority No. 17/POJK.03/2014 dated November 18, 2014 concerning the implementation of Integrated Risk Management for Financial Conglomerates, BCA and Subsidiaries in the Financial Conglomerate of BCA have implemented integrated risk management in a comprehensive and effective manner in accordance with the characteristics and complexity of the Financial Conglomerate business.

In order to implement integrated risk management, BCA, as the Main Entity, has formed an Integrated Risk Management Committee (IRMC) and added an integrated risk management function to the Risk Management Division.

- The IRMC consists of the Director of BCA, who is in charge of the integrated risk management function, all members of the Board of Directors of BCA, several other relevant BCA senior managements, as well as the Director of Subsidiaries as a representative of FSI in the BCA Financial Conglomerate.
- In carrying out its functions, IRMC is also supported by an integrated risk management function within the Risk Management Division organization to ensure that the risks faced by the Main Entity and Subsidiaries can be identified, measured, monitored, controlled, and reported in an integrated manner in accordance with the risk management framework, as well as dealing with emergency situations that threaten the bank's business continuity.

## V. INTRA-GROUP TRANSACTION POLICY

As the Main Entity of the Financial Conglomerate, BCA is required to manage intra-group transaction risk and monitor intra-group transactions in an integrated manner.

### Definition of Intra-Group Transaction Risk

Intra-group transaction risk is the risk resulting from the dependence of an entity, either directly or indirectly, toward other entities in a Financial Conglomerate in order to fulfill written and unwritten agreement obligations followed by a transfer of funds and/or not followed by a transfer of funds.

### Objectives of Intra-Group Transaction Risk Management

The main objectives of intra-group transaction risk management are:

- a. Regulate and supervise intra-group transactions based on the principle of prudence.
- b. Ensure that the risk management process can minimize the possibility of negative impacts resulting from the dependence of an FSI, either directly or indirectly, toward other FSIs in a Financial Conglomerate.

### Intra-Group Transaction Risk

Intra-group transaction risks may arise, among other from:

- a. Cross-ownership among FSI in the Financial Conglomerate.
- b. Centralized short-term liquidity management.
- c. Collateral, loans, and commitments given or obtained by an FSI from another FSI in the Financial Conglomerate.
- d. Exposures to controlling shareholders, including loan and off-balance sheet exposures, such as collateral and commitments.
- e. Purchase or sale of assets to other FSI in a Financial Conglomerate.
- f. Transfer of risk through reinsurance.
- g. Transactions to divert third party risk exposure among FSI in the Financial Conglomerate.

### Scope of Intra-Group Transaction Risk Management Policy

The implementation of intra-group risk management in the Financial Conglomerate includes:

#### 1. Oversight of the Board of Commissioners and the Board of Directors

Oversight by the Board of Commissioners and the Board of Directors is required to ensure the effectiveness of intra-group transaction risk management implementation and compliance with applicable regulations.

#### Board of Commissioners' authorities and responsibilities

The Board of Commissioners' authorities and responsibilities in implementing intra-group transaction risk management include:

- a. Approve the intra-group transaction risk management policy.
- b. Evaluate the Board of Directors' accountability and provide guidance for improving the implementation of intragroup transaction risk management policies.

#### Board of Directors' authorities and responsibilities

The authorities and responsibilities of the Board of Directors in managing intra-group transaction risk include the following:

- a. Understand the risks of intra-group transactions inherent in the Financial Conglomeration.
- b. Develop and establish intra-group transaction risk management policies.
- c. Accountable for implementing intragroup transaction risk management.
- d. Ensure that each entity in the Financial Conglomerate implements intragroup transaction risk

management.

- e. Monitor the risk of intra-group transactions on a regular basis.
- f. Develop a risk culture as part of the implementation of intra-group transaction risk management.
- g. Ensuring that the implementation of intragroup transaction risk management is free from conflicts of interest between the Financial Conglomerate and individual FSI.

## **2. Adequacy of Policies, Procedures and Determination of Intra-Group Transaction Risk Limits**

Stipulation of intra-group transaction policies, procedures, and risk limits, taking into consideration the following factors:

- a. The financial conglomerates must ensure compliance with the arm's length principle (transaction fairness) pertaining to intra-group transactions
- b. The level of risk to be taken (risk appetite) and the level of risk tolerance must be in line with the Financial Conglomerate's business strategy, risk profile, and capital plan.
- c. Intra-group transaction policies and limits are in accordance with applicable regulatory requirements.
- d. The intra-group transaction risk management procedures must include at least the following:
  - 1) Accountability and clear levels of delegation of authority in intragroup transaction risk management implementation.
  - 2) Review of procedures in a regular basis.
  - 3) Adequate procedure documentation, namely written documentation that is complete and allows for an easy audit trail.

## **3. Adequacy of Risk Identification, Measurement, Monitoring and Control Processes, as well as Intra-Group Transaction Risk Management Information Systems**

BCA, as the Main Entity, is required to carry out an integrated process of identifying, measuring, monitoring, and controlling risks for all significant risk factors, taking into consideration the following factors:

- a. The Financial Conglomerate's intra-group transaction composition.
- b. Transaction documentation and fairness.
- c. Comply with legal and regulatory requirements.
- d. Other significant information.

The implementation is also supported by an intragroup transaction risk management information system, which includes an intra-group transaction risk profile report as part of the Integrated Risk Profile Report.

### **Review of Intra-Group Transaction Risk Profile**

Based on the results of the self-assessment, BCA's risk profile rating in 2023 is "low to moderate" both individually and when integrated with Subsidiaries.

The risk profile rating is the result of an inherent risk rating of "low to moderate" and a risk management implementation quality rating of "satisfactory".

## **4. Comprehensive Internal Control System for Intra-Group Transaction Risk Management Implementation**

A comprehensive internal control system is required to supplement the process of implementing effective intergroup transaction risk management.

BCA is required to implement an effective internal control system for intra-group transaction risk with the following provisions:



- a. Refers to the established policies and procedures.
- b. The internal control system is developed to ensure:
  - 1) Compliance with internal policies or provisions as well as laws and regulations.
  - 2) The effectiveness of the risk culture in the Financial Conglomerate organization as a whole in early identification of flaws and deviations and continuously reassessing the fairness of existing policies and procedures in the Financial Conglomerate.
- c. Review of the measurement of intergroup transaction risk, which at least covering:
  - 1) Conformity of policies, organizational structure, allocation of resources, design of intergroup transaction risk management processes, information systems, and risk reporting according to the business needs of the Financial Conglomerate, as well as the development of regulations and best practices related to intra-group transaction risk management.
  - 2) Complete and adequate documentation of coverage, operational procedures, audit findings, and the Financial Conglomerate management responses based on the audit results.

## **VI. IMPLEMENTATION CORPORATE GOVERNANCE REPORT OF BCA**

### **1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017**

#### **A. GCG Implementation Disclosures**

##### **1) Implementation of Duties and Responsibilities of the Board of Directors and the Board of Commissioners**

##### **Number, Composition, Criteria, and Independence of Members of the Board of Directors and the Board of Commissioners**

##### **Number and Composition of Members of the Board of Directors**

BCA has complied with the provisions on the number and composition of the members of the Board of Directors in accordance with Financial Services Authority Regulation concerning the Implementation of Good Corporate Governance for Commercial Banks which stipulates that banks are required to have at least 3 (three) members of the Board of Directors.

As of December 31, 2023, the number of members of the Board of Directors of BCA is 12 (twelve) consisting of:

- 1 (one) President Director;
- 2 (two) Deputy President Director;
- 1 (one) Compliance Director; and
- 8 (eight) Other Directors.

From the composition above, BCA has a member of the Board of Directors who is also the Director in charge of the compliance function. The President Director comes from a party that is independent of the Controlling Shareholders.

Throughout 2023 (January 1 2023 to December 31 2023), there were no changes to the membership composition of the BCA Board of Directors. The composition of the BCA Board of Directors membership for 2023 has been included in the Deed of Statement of Meeting Decisions of PT Bank Central Asia Tbk No. 33 dated May 10 2022, made in the presence of Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta.

## Composition of BCA Board of Directors members for the January-December 2023 periode

Name	Position	Approval Letter No.	Term of Office based on AGMS
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2021 - 2026
Gregory Hendra Lembong	Deputy President Director	10/KDK.03/2022 dated April 22, 2022	2022 - 2026
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016	2021 - 2026
Tan Ho Hien/ Subur/Subur Tan	Director	4/69/DpG/DPIP/Rahasia dated August 13, 2002	2021 - 2026
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2021 - 2026
Lianawaty Suwono	Director (concurrently Director in charge of Compliance function)	8/KDK.03/2022 dated April 22, 2022	2022 - 2026
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2021 - 2026
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018	2021 - 2026
Haryanto T. Budiman	Director	14/KDK.03/2020 dated May 14, 2020	2021 - 2026
Frengky Chandra Kusuma	Director	39/KDK.03/2021 dated April 26, 2021	2021 - 2026
John Kosasih	Director	40/KDK.03/2021 dated April 26, 2021	2021 - 2026
Antonius Widodo Mulyono	Director	9/KDK.03/2022 dated April 22, 2022	2022 - 2026

Before carrying out their duties and functions in their positions, all members of BCA's Board of Directors have obtained approval from Bank Indonesia and/or Financial Services Authority and passed the fit and proper test from Bank Indonesia and/or Financial Services Authority. This is in accordance with BI Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and BI Circular Letter No. 13/8/DPNP concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011 and Financial Services Authority Regulation No.27/POJK.03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions. In addition, since supervision in the banking sector shifted from Bank Indonesia to Financial Services Authority on December 31, 2013, the fit and proper test process for the Board of Directors after that date was carried out by Financial Services Authority.

### Terms of Office of the Board of Directors

Since the holding of the GMS that appointed relevant members of the Board of Directors, the terms of office for the BCA Board of Directors will end at the closing of the 5th GMS, without prejudice the authority of GMS to dismiss one or more members of the Board of Directors any time before the position ends. BCA Article of Association state that members of the Board of Directors whose terms of office has ended can be reappointed.

### Criteria for Members of the Board of Directors

Members of the Board of Directors of BCA are individuals who meet the criteria and requirements in accordance with Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Issuers or Public Companies, Financial Services Authority Regulation concerning the Implementation of Governance for Commercial Banks, Financial Services Authority Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test For the Main Parties of The Financial Services Institutions.

Criteria for members of the Board of Directors are as follows:

- Good ethics, morals, and integrity.
- Capable of performing legal actions.
- Within 5 (five) years before appointment and during the term of office:

- i. Has not been convicted for committing a crime detrimental to the state finances or relating to the financial sector; and
- ii. Has not been a member of the Board of Directors and/or Board of Commissioners in which during his/her terms of office:
  - Did not hold an Annual GMS;
  - His/Her accountability as members of the Board of Directors and/or members of the Board of Commissioners has never been accepted by the GMS or has failed to provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
  - Have caused a company that has obtained a license, approval, or registration from Financial Services Authority to fail to fulfill its obligation to submit annual reports and/or financial reports to the Financial Services Authority;
- d. Has a commitment to comply with laws and regulations.
- e. Has knowledge and/or expertise in the fields required by BCA.
- f. Meet the integrity requirements, which includes:
  - i. Capable of performing legal actions, the definition of being able to perform legal actions refers to the Civil Code;
  - ii. Has good characters and morals, at least demonstrated by the attitudes that comply with prevailing provisions, including have never been convicted to criminal offense in a certain period before being nominated; What is meant by “criminal acts” as referred above are:
    - Criminal acts in the financial services sector whose crimes were completed within the last 20 (twenty) years before being nominated;
    - Criminal offenses, namely crimes listed in the Criminal Code (KUHP) and/or similar Criminal Code abroad, with threat of criminal punishment of imprisonment for 1 (one) year or more, whose sentence was completed within the last 10 (ten) years prior being nominated; and/or
    - Other criminal acts with threat of criminal punishment of 1 (one) year imprisonment or more, including corruption, money laundering, narcotics/psychotropics, smuggling, customs, excise, human trafficking, illegal weapons trade, terrorism, counterfeiting money, in the field of taxation, forestry, environment, maritime affairs, and fisheries, whose sentence was completed within the last 20 (twenty) years prior to nomination;
  - iii. Has a commitment to comply with laws and regulations and support the Financial Services Authority policies;
  - iv. Has a commitment to the development of a healthy Bank;
  - v. Not included as a party prohibited from becoming a Main Party, among others, is a candidate not listed on the Disqualified List (DTL) for the fit and proper test. In accordance with regulations related to the fit and proper test, the Main Parties include Controlling Shareholders, members of the Board of Directors and members of the Board of Commissioners;
  - vi. Has a commitment not to commit and/or repeat actions and/or deeds that would disqualify the person from becoming the Main Party.
- g. Meet the competency requirements, which include:
  - i. Adequate and relevant banking knowledge for the position. Knowledge in the banking sector includes, among other things, understanding of bank regulations and operations, as well as risk management;
  - ii. Knowledge of the roles and responsibilities of the main entity and understanding of the main business activities and main risks of Financial Services Institutions in a

- financial conglomerate;
- iii. Experience in banking and/or finance, including experience in operations, marketing, accounting, auditing, funding, credit, money market, capital market, law, or experience in supervision of Financial Services Institutions;
- iv. The ability to carry out strategic management in the context of developing a healthy bank;
- v. Has experience of at least 5 (five) years in the field of operations and at the minimum level as a Bank Executive Officer.
- h. Meet the financial reputation requirements, which include:
  - i. Does not have bad credit and/or bad financing; and
  - ii. Has never been declared bankrupt or have never been a shareholder, an Insurance Company Controller who is not a shareholder, a member of the Board of Directors or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt, within the last 5 (five) years before being nominated.

#### **Independence of Board of Directors**

Majority of members of BCA's Board of Commissioners and Board of Directors do not have affiliated relationship, either financial relationship or family relationship among other members of Board of Commissioners, Board of Directors, and Controlling Shareholders. In addition, the majority of members of BCA's Board of Directors do not have conflicts of interest and/or relationships with BCA that affect their ability to act independently and perform their duties professionally and objectively.

#### **Number and Composition of the Members of the Board of Commissioners**

As of December 31, 2023, BCA has 5 (five) members on the Board of Commissioners, consisting of:

- 1 (one) President Commissioner,
- 1 (one) Commissioner, and
- 3 (three) Independent Commissioners.

The number of members of the BCA Board of Commissioners does not exceed the number of members of the BCA Board of Directors. The number of BCA Independent Commissioners is 60% (sixty percent) of the total members of the BCA Board of Commissioners. All members of the BCA Board of Commissioners are domiciled in Indonesia.

In 2023, there were no changes to the composition of the Board of Commissioners; therefore, BCA does not provide reasons for changes to the composition of the Board of Commissioners in this Annual Report. The composition of the membership of the BCA Board of Commissioners is set out in the Deed of BCA Meeting Decision Statement No. 33 dated May 10, 2022, made in the presence of Christina Dwi Utami, S.H. M.Hum., M.Kn., Notary in Jakarta.

## The Composition of BCA Board of Commissioners as of December 31, 2023

Name	Position	Approval Letter No.	Term of Office
Djohan Emir Setijoso	President Commissioner	13/99/GBI/DPIP/Rahasia dated August 25, 2011	2021 – 2026
Tonny Kusnadi	Commissioner	5/4/DpG/DPIP/Rahasia dated September 4, 2003	2021 – 2026
Cyrellus Harinowo	Independent Commissioner	5/4/DpG/DPIP/Rahasia dated September 4, 2003	2021 – 2026
Raden Pardede	Independent Commissioner	8/84/DPB3/TPB3-2 dated August 16, 2006	2021 – 2026
Sumantri Slamet	Independent Commissioner	SR-117/D.03/2016 dated July 11, 2016	2021 – 2026

All members of the Board of Commissioners of BCA have obtained approval from Bank Indonesia (currently the Financial Services Authority) and have passed the fit and proper test from Bank Indonesia (currently the Financial Services Authority) before carrying out their duties and functions. This is in accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning Fit and Proper Test and Bank Indonesia Circular Letter No. 13/8/DPNP concerning Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011.

### Term of Office of the Board of Commissioners

In accordance with BCA's Articles of Association, the term of office of members of the Board of Commissioners is 5 (five) years from the date specified in the GMS. The term of office of the members of the Board of Commissioners for this period will end when BCA Annual GMS is closed in 2026. The GMS still has the authority to dismiss one or more members of the Board of Commissioners at any time before its term ends.

The term of office of a member of the Board of Commissioners automatically ends if the person concerned:

- Declared bankrupt or placed under jurisdiction based on a court decision;
- Resign from his position in accordance with applicable regulations;
- Deceased;
- Dismissed based on the General Meeting of Shareholders;
- No longer meets applicable statutory requirements.

BCA has Independent Commissioners who have been appointed for more than 2 (two) periods, namely Cyrellus Harinowo and Raden Pardede. Based on the meeting of the members of the Board of Commissioners, both of them can still act independently, and each has made a Statement of Independence, which is declared at the appointment of members of the Independent Commissioners at the 2021 BCA Annual GMS.

### Criteria for the Members of the Board of Commissioners

Members of the Board of Commissioners of BCA are individuals who meet the criteria and requirements in accordance with Board of Commissioners can also be found in in the Board of Commissioners' Charter.

The criteria for the Board of Commissioner members are as follows:

- a. Have good character, morals and integrity.
- b. Be competent in carrying out legal actions.
- c. Within 5 (five) years before appointment and during their tenure:

- Have never been convicted of a criminal offense that is detrimental to the state finances and/or related to the financial sector; and
- Have never been a member of the Board of Directors and/or a member of the Board of Commissioners who during their tenure:
  - Not held an Annual GMS;
  - Accountability as a member of the Board of Directors and/or a member of the Board of Commissioners has been rejected by the GMS or does not provide accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
  - Had caused a company that has obtained permits, approvals, or registrations from Financial Services Authority fail to comply its obligation to submit annual reports and/or financial statements to Financial Services Authority.
- d. Has a commitment to comply with laws and regulations.
- e. Has knowledge and/or expertise in the fields required by BCA.
- f. Meet the following requirements for integrity, competence and financial reputation:
  - Integrity requirements, including:
    - Capable of carrying out legal actions;
    - Has good character and morals, at least shown by the attitude of complying with applicable provisions, including have never been convicted for a crime in a certain period before being nominated;
    - Has a commitment to comply with laws and regulations and uphold Financial Services Authority policies;
    - Has a commitment towards the development of a healthy financial services institution;
    - Not included as a party prohibited from being a main party;
    - Have a commitment not to commit and/or repeat actions and/or activity that cause the person concerned to be included as a party prohibited from becoming a Main Party.
  - Competency requirements, including:
    - Knowledge in banking which is adequate and relevant to the position;
    - Experience and expertise in banking and/or financial sector.
  - Financial reputation requirements, at least evidenced by:
    - Not having bad credit and/or nonperforming loan; and
    - Has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, a member of the Board of Directors, or a member, of the Board of Commissioners found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.
  - Has passed the Fit and Proper Test in accordance with Financial Services Authority Regulations.

The criteria that need to be met by all Independent Commissioners of BCA include:

- a. Not a person who is employed or has the authority and responsibility to plan, lead, control, or oversee BCA activities within the last 6 (six) months, except for re-appointment as an Independent Commissioner of BCA in the following period;
- b. Has no share in BCA, directly or indirectly;
- c. Has no affiliation with BCA, other members of the Board of Commissioners, member of the Board of Directors, and/or Controlling Shareholders of BCA;
- d. Has no financial, management, share ownership, and/or family relationships with members of the Board of Directors, other members of the Board of Commissioners,

- and/or the ultimate controlling shareholder, or any relationship with the Bank that could affect the person's ability to act independently;
- e. Has no direct or indirect business relationships related to BCA business activities;
  - f. Fulfilling other requirements of the Independent Commissioners as per applicable regulations;

In addition to the criteria mentioned above, Independent Commissioners must also meet the general requirements for prospective members of the Board of Commissioners.

#### **Independency of Board of Commissioners**

All members of the Board of Commissioners of BCA have no financial, management, share ownership, and/or family relationship up to the second degree with other fellow members of the Board of Commissioners, members of the Board of Directors, and/or controlling shareholders. In addition, all members of the Board of Commissioners of BCA also have no conflict of interest and/or relationship with BCA that may influence his/her ability to act independently and carry out their duties in a professional and objective manner.

The current BCA's Independent Commissioners were appointed in 2021 and the appointment resolution of each BCA's Independent Commissioner will remain effective until 2026. Each Independent Commissioner has prepared Independence Statement Letter, which fulfill the independence aspect as stipulated in Article 25 paragraph (1) of the Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies and it has been submitted to Financial Services Authority.

#### **Duties and Responsibilities of the Board of Directors and Board of Commissioners**

##### **Duties and Responsibilities of the Board of Directors**

The duties and responsibilities of the Board of Directors include the following:

- a. The Board of Directors is fully responsible for the management of the company for the interests and objectives of the company. The main duties of the Board of Directors are:
  - i. Lead and manage BCA in accordance with the purposes and objectives of the BCA's Articles of Association.
  - ii. Control, maintain and manage BCA's assets for its interest.
  - iii. Create internal control structure, ensure the implementation of internal audit function in every level of management, and follow up on Internal Audit Division (DAI) findings in accordance with policies or directions given by the board of commissioners.
- b. Each member of the Board of Directors must carry out their duties in good faith and with full responsibility, while adhering to all applicable laws and regulations.
- c. The Board of Directors represents the Company inside and outside the court on all matters and in all events, binds the Company to other parties and other parties to the Company, and carries out all actions, both regarding management and ownership, with the limitation that the Board of Directors must obtain prior written approval from the Board of Commissioners for actions following those listed below.
  - i. Lend money or provide credit or other banking facilities that resemble or result in a loan of money:
    - to related parties, as stipulated in Bank Indonesia Regulations concerning Legal Lending Limits for Commercial Banks;
    - exceeding a certain amount, as determined by the Board of Commissioners from time to time.
  - ii. Provide guarantees or debt guarantees (*borgtocht*):
    - to guarantee payment obligations of related parties to third parties as specified





- e. In terms of:
  - i. A member of the Board of Directors is not authorized to represent the Company in matters or transactions in which the member of the Board of Directors concerned has a conflicting interest with the interests of the company, so the company must be represented by another member of the Board of Directors (subject to the provisions of BCA Articles of Association);
  - ii. If all members of the Board of Directors have conflicting interest with the company, the Board of Commissioners of the company has the authority to act for, on behalf of, and represent the company in such issues or transactions;
  - iii. The clauses in points e.i. and e.ii. above does not prejudice the BCA Articles of Association's provision on "Transactions Containing Conflicts of Interest."
- f. Without prejudice to the Board of Directors' responsibilities, the Board of Directors has the authority to appoint one or more persons with the authority and conditions specified by the Board of Directors in a special power of attorney for certain actions.
- g. In addition to the above-mentioned primary duties of the Board of Directors, the Board of Directors is required to:
  - i. Strive and ensure that the Company's business and activities are carried out in accordance with the Company's objectives and business field;
  - ii. Prepare and submit to the Board of Commissioners the Company's development plan, work plan, and annual budget, as well as other plans related to the Company's business implementation;
  - iii. Organize and maintain the Company's bookkeeping and administration in accordance with company custom;
  - iv. Create an accounting system based on internal control principles, particularly the separation of management, recording, storage, and supervision functions;
  - v. Provide accountability and all information regarding the condition and operation of the Company in the form of reports on the Company's activities, including financial statements, both in the form of annual reports and in the form of other periodic reports, in the manner and time specified in the Company's Articles of Association, whenever requested by the Board of Commissioners;
  - vi. Prepare the organizational structure of the Company, complete with details of the duties;
  - vii. Carry out other obligations in accordance with BCA Articles of Association or based on the instructions of the Board of Commissioners or GMS meeting.
- h. Other Obligations:
  - i. Carry out GCG Principles in every business activity of the Company at all levels or phases of the Company's organization;
  - ii. Develop an internal control framework to identify, measure, monitor, and control all risks faced by the Company;
  - iii. Follow up on audit findings and recommendations from the Company's DAI, an external auditor, monitoring results from BI, Financial Services Authority, and/or monitoring results from other authorities;
  - iv. Establish a DAI that is independent of operational work units and effectively implements the internal audit function in accordance with applicable regulations;
  - v. Establish a risk management work unit, as well as a risk management committee and a compliance work unit;
  - vi. Submit the annual work plan, which also includes the Company's annual budget, to the Board of Commissioners for approval prior to the start of the next financial year, taking into consideration the laws and regulations applicable in the capital market sector;

- vii. Submit the Company's financial statements for audit to a Public Accountant;
- viii. Disclose strategic company employment policies to employees. Including various employment policies through decrees and circulars that all employees can access, as well as the Collective Labor Agreement (PKB) book, the Company's website, and policies concerning the recruitment system, promotion system, and remuneration system. Such disclosure must be made through medias that are known or easily accessed by employees;
- ix. Provide the Board of Commissioners with accurate, relevant, and timely data and information;
- x. Appoint members of the Board of Directors' supporting committees based on the decision of the Board of Directors meeting;
- xi. Hold the annual GMS and/or other GMS/ EGMS in accordance with BCA's needs and applicable regulations;
- xii. Deliver accountability for the Company's management for 1 (one) year to the GMS no later than 6 (six) months after the Company's financial year ends;
- xiii. Submit reports and disclosure of information to the Financial Services Authority, the Indonesia Stock Exchange, and other authorized agencies in accordance with laws and regulations.

#### **Duties and Responsibilities of the Board of Commissioners**

The duties and responsibilities of the BCA Board of Commissioners include the following:

- a. Supervise BCA management policies and the general management activities for the interest of BCA in accordance with the goals and objectives of the BCA's Articles of Association.
- b. Directing, monitoring and evaluating the implementation of BCA's strategic policies and giving advise to the Board of Directors in accordance accordance with regulations.
- c. Ensure the implementation of the principles of the Corporate Governance are carried out in every business activity at all levels of BCA organization, at least through monitoring of the following:
  - The Board of Commissioners monitors developments and provides input to the Board of Directors regarding the implementation of governance on a regular basis;
  - Implementation of the duties and responsibilities of the Board of Commissioners and the Board of Directors;
  - Completeness and implementation of the duties of the committees and work units that carry out the internal control function;
  - Implementation of remuneration policy and periodic evaluation of the remuneration policy;
  - Implementation of the compliance, internal auditor and external auditor functions;
  - Implementation of risk management, including internal control systems;
  - Provision of funds to related parties and provision of large funds;
  - BCA's strategic plan;
  - Transparency of the financial and non financial conditions;
  - Approve and periodically review the BCA's vision, mission and core values.
- d. Supervise the implementation of Integrated Governance.
- e. Ensure that the Board of Directors has followed up on audit findings and recommendations from the Internal Audit Division, external auditors, the results of supervision by the Financial Services Authority, Bank Indonesia, and/or other authorities.
- f. Provide approval on the merger, consolidation, and/or integration plan, which contains summary information from the independent appraiser's report.

- g. Notifying the Financial Services Authority /Bank Indonesia no later than 7 (seven) working days since the finding of violation of laws and regulations in the financial and banking sector and/or circumstances or predicted condition that may endanger the business continuity of BCA
- h. The Board of Commissioners is obliged to ensure that the committees that have been formed carry out their duties effectively and evaluate the performance of these committees at the end of each financial year.
- i. Hold meetings and prepare minutes of meeting in carrying out the following:
  - Regular meetings of the Board of Commissioners at least once every 2 (two) months or 6 (six) times per year.
  - Regular meetings of the Board of Commissioners with the Board of Directors at least once every 4 (four) months.
- j. Under certain conditions, holding the Annual GMS and other GMS in accordance with respective authorities as stipulated in the applicable laws and regulations, and BCA's Articles of Association.
- k. Create and submit reports to the Annual GMS, the Financial Services Authority or other parties.
- l. Approved the Bank's Business Plan and Sustainable Financial Action Plan prepared by the Board of Directors.

#### **Duties and Responsibilities of President Commissioner**

The President Commissioner carries out the same duties and responsibilities as the Board of Commissioners above, added with other duties and responsibilities, as follows:

- a. Summon for meetings of the Board of Commissioners.
- b. Lead the Board of Commissioners meetings.
- c. Lead the General Meeting of Shareholders. The Board of Commissioners has decided to appoint the President Commissioner as Chairman of the BCA Annual GMS at the Board of Commissioners meeting.
- d. Coordinate the implementation of the duties and responsibilities of the Board of Commissioners.
- e. The President Commissioner and the President Director signed a Letter of Submission to Bank Indonesia of the Macro-prudential Inclusive Financing Ratio (RPIM) Target for the end of December 2024.

In accordance with their duties and responsibilities, the Board of Commissioners of BCA was not involved in making decisions about BCA's operational activities throughout 2023.

## Implementation of the Board of Commissioners' Duties

The Board of Commissioners monitors the strategies and actions taken by the Board of Directors to ensure the Bank's positive and sustainable performance.

The Board of Commissioners communicated feedback and advice on strategic topics to the Board of Directors through meetings, memo, and ad-hoc discussions. In 2023, 44 meetings of the Board of Commissioners and 6 meetings of the Board of Directors and Board of Commissioners were held in a hybrid format, offering options to attend both virtually and in-person for timely response and efficient time management.

The following are the main topics of the feedback and advice provided by the Board of Commissioners to the Board of Directors throughout 2023:

Topic	Actions Undertaken by the Board of Commissioners
<b>Strategies and Business Management</b>	<ul style="list-style-type: none"> <li>• Regularly monitored the business performance and operations of BCA as well as banking industry condition in Indonesia during 2023, which were influenced by economic uncertainty, interest rate movements, global inflation, and intensifying competition.</li> <li>• Provided periodic insights on the Bank's current business model for the consideration of the Board of Directors in ensuring sustained future performance. These insights touch on the company's business model relevance, taking into account the dynamics of consumer transaction behavior, shifting customer demographics and the impact of digital transformation on competition in the payment system. In addition, the Board of Commissioners observed the current workforce and developments in the IT sector, particularly concerning system advancements.</li> <li>• Reviewed policies related to credit limits, credit settlement and reserve allocation, and assessed credit disbursement to growing sectors as well as mature sectors with diminishing growth potential.</li> <li>• Oversaw the company's asset management including sub-optimally productive assets as well as the budget allocation with regard to both revenue and costs, and provided feedback for periodic review of their policies.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• Monitored and reviewed BCA's risk profile, implementation of integrated risk management and the capital structure.</li> <li>• Held regular quarterly discussions with the IT division and Risk Management work unit, and monitored cyber risk in the banking industry and BCA.</li> <li>• Held discussions with external consultants, and reviewed the duties and responsibilities of BCA's Board of Commissioners from time to time.</li> <li>• Monitored global banking trends and provided input to related work units to assess BCA's liquidity strength and capital adequacy in the event of significant disruption, especially related to digital transformation. The criminal cases that engulfed several US banks in early 2023, such as Silicon Valley Bank (SVB), were a source of concern and served as lessons in preventing similar incidents at BCA.</li> </ul>
<b>Audit and Compliance</b>	<ul style="list-style-type: none"> <li>• Monitored and reviewed the scope of audit regarding technology trends and their impact on the bank's business model.</li> <li>• Monitored the results of internal audit assessments on the performance of work units and branches.</li> </ul>

## 2) Completeness and Implementation of Committee Duties

### Committees of Board of Commissioners

#### Structure, Membership, and Independence of Audit Committee Member

The composition of the BCA Audit Committee membership complies with the applicable Financial Services Authority Regulation provisions and the Audit Committee Charter. Throughout 2023, the BCA Audit Committee had 3 (three) members who had been appointed based on Directors' Decree No. 073/SK/DIR/2021 dated April 22, 2021, and Minutes of Board of Commissioners Meeting No. 20/RR/KOM/2021 dated April 22, 2021.

#### Composition of Audit Committee Members as of December 31, 2023

Name	Position in the Committee	Position at BCA	Term of Office Based on AGMS
Sumantri Slamet	Chairman (concurrently member)	Independent Commissioner	2021 - 2026
Fanny Sagitadewi	Member	Independent Party	2021 - 2026
Rallyati A. Wibowo	Member	Independent Party	2021 - 2026

All members of the Audit Committee are independent parties who have no financial, management, share ownership, and/or family relationships with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders or business relationships with BCA that may affect their ability to act independently.

#### Structure, Membership, and Independence of Risk Oversight Committee Member (ROC)

The composition of BCA ROC membership has complied with the applicable provisions of the Financial Services Authority Regulation and the ROC Charter. Throughout 2023, ROC has 3 (three) members who have been appointed by the Board of Directors through the Board of Directors' Decree No. 079/SK/DIR/2021 dated April 29, 2021, and based on the decision in the Minutes of the Board of Commissioners Meeting No. 21/RR/KOM/2021 dated April 28, 2021.

#### Composition of the ROC Members as of December 31, 2023

Name	Position in the Committee	Position at BCA	Term of Office Based on AGMS
Cyrillus Harinowo	Chairman (Concurrently as member)	Independent Commissioner	2021 - 2026
Endang Swasthika Wibowo	Member	Independent Party	2021 - 2026
Subianto Rustandi *)	Member	Independent Party	2021 - September 30, 2023

Note: \*) ceased to serve on October 1, 2023

All ROC members are independent parties who do not have financial, management, share ownership, and/or family relationships with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, as well as business relationships with BCA, that may affect their ability to act independently.

#### Structure, Membership, and Independence of Remuneration and Nomination Committee (RNC)

The composition of the BCA RNC membership complies with the applicable provisions according to Financial Services Authority Regulation No. 34/ POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies and as stipulated in

the RNC Work Guidelines and Rules. Throughout 2023, BCA RNC has 3 (three) members who have been appointed based on Directors Decree No. 064B/SK/ DIR/2021 dated April 7, 2021, and the decision in the Minutes of Meeting of Board of Commissioners Meeting No. 17A/RR/KOM/2021 dated April 7, 2021.

### The composition of RNC members as of January - December 2023

Name	Position in The Committee *)	Position at BCA	Term of Office based on the AGMS
Raden Pardede	Chairman	Independent Commissioner	2021 - 2026
D.E. Setijoso	Member	President Commissioner	2021 - 2026
Rudi Lim	Member	Head of Human Capital Management Division	2021 - 2026

\* The Head of the Human Capital Management Division is an Executive Officer who has knowledge of the remuneration system and/or nomination and succession plan

All members of RNC have fulfilled the independence aspect, namely not having financial, management, share ownership, and/ or family relationships with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, as well as business relationships with BCA that could affect their ability to act independently

### Structure, Membership, and Independence of Integrated Governance Committee (IGC)

The composition of the BCA IGC membership complied with the applicable provisions of the Financial Services Authority Regulation and IGC Charter. As of December 31, 2023, the IGC has 11 (eleven) members who have been appointed by the Board of Directors from the Main Entity through Board of Directors' Decree No. 0154/SK/DIR/2023 dated September 14, 2023 concerning Appointment of Chairman and Members of the Integrated Governance Committee based on decisions in the Minutes of Meeting of the Board of Commissioners from the Main Entity No. 36/RR/KOM/2023 dated September 13, 2023.

## Composition of the IGC Members

Name	Position in the Committee *)	Position in the Financial Conglomerate	Term of Office
<b>Member from the Main Entity</b>			
Cyrillus Harinowo	Chairman (concurrently member)	Main Entity's Independent Commissioner	May 6, 2021 – AGMS 2026
Prabowo	Member	Main Entity's Independent Party **)	May 6, 2021 – AGMS 2026
<b>Member from the Subsidiary ***)</b>			
Sulistiyowati	Member	Independent Commissioner PT BCA Finance	May 6, 2021 – AGMS 2026
Gustiono Kustianto	Member	Independent Commissioner PT Asuransi Umum BCA	May 6, 2021 – AGMS 2026
Pudjianto	Member	Independent Commissioner PT Asuransi Jiwa BCA	May 6, 2021 – AGMS 2026
Mendari Handaya	Member	Independent Commissioner PT BCA Multi Finance	May 6, 2021 – September 2023
Mathilda Simon	Member	Independent Commissioner PT BCA Multi Finance	September 14, 2023 – AGMS 2026
Ratna Yanti	Member	Independent Commissioner PT Bank BCA Syariah	March 31, 2022 – March 10, 2023
		Independent President Commissioner PT Bank BCA Syariah	March 10, 2023 – AGMS 2026
Sutedjo Prihatono*)	Member	Member of the Sharia Supervisory Board of PT Bank BCA Syariah	May 6, 2021 – AGMS 2026
Hendra Iskandar Lubis	Member	Independent Commissioner PT BCA Sekuritas	May 6, 2021 – AGMS 2026
Irianto Sutanto	Member	Independent Director BCA Finance Limited, Hongkong	May 6, 2021 – RUPST 2026
Sri Indrajanti Dewi	Member	Independent Commissioner PT Bank Digital BCA	May 6, 2021 – September 14, 2023
Ina Suwandi	Member	Independent Commissioner PT Bank Digital BCA	September 14, 2023 – AGMS 2026

**Note:**

\*) Membership of Independent Commissioners, Independent Parties, and Members of the Sharia Supervisory Board in the IGC of the Financial Conglomerate is not counted as concurrent positions.

\*\*) Members of the IGC who are independent parties are appointed by the Main Entity's Board of Commissioners.

\*\*\*) Appointment of IGC members who are Independent Commissioners and/or Members of the Sharia Supervisory Board who represent FSI in the BCA's Financial Conglomerate is based on the appointment of each FSI.

Members of the IGC must adhere to the independence and requirements of the Board of Directors and/or the Board of Commissioners from the Main Entity as well as the independence and requirements of the Board of Directors and/ or the Board of Commissioners of Subsidiaries in the Financial Conglomerate.

All members of the IGC are independent parties who do not have financial, management, share ownership, and/or family relationships with members of the Board of Commissioners, members of the Board of Directors, and/ or Controlling Shareholders, or business relationships with BCA and/or Subsidiaries that may affect their ability to act independently

### Duties and Responsibilities of Committees under the Board of Commissioners

#### Duties and Responsibilities of Audit Committee

The Audit Committee has the following duties and responsibilities:

- Financial Report and Information
  - a. Review the financial information that will be issued by BCA to the public and/or authorities, and other reports related to BCA's financial information.
  - b. Review and report to the Board of Commissioners any complaints about the BCA

accounting process and financial reporting.

- Internal Audit
  - a. Provide recommendations to the Board of Commissioners regarding the preparation of the audit plan, scope and budget of the Internal Audit Division (DAI).
  - b. Monitor and review the effectiveness of BCA's internal audit implementation.
  - c. Evaluate DAI's performance in terms of the adequacy and effectiveness of the internal audit function at BCA and ensure that DAI upholds integrity in carrying out its duties; as well as providing recommendations to the Board of Commissioners regarding the overall annual remuneration for the DAI as well as performance related rewards.
  - d. Ensure DAI communicates with the Board of Directors, the Board of Commissioners, external auditor, and the Financial Services Authority, Bank Indonesia as well as other related parties.
  - e. Ensure DAI works independently.
  
- External Audit
  - a. Provide recommendations to the Board of Commissioners based on evaluation results concerning the appointment, reappointment, and dismissal or replacement of the PAF who will audit BCA's financial statements on the basis of independence, scope of work, and fee.
  - b. Monitor the implementation of the PAF audit, on the following aspects:
    - i. Compliance of audit implementation by the PAF to the applicable Audit Standards.
    - ii. Compliance of Financial Statements to the applicable Financial Accounting Standards (SAK).
    - iii. Provide independent opinion in the event of any dissenting opinion between the management and the PAF with regards to the services it provides.
  
- Process/Internal Control Systems
  - a. Ensure the Board of Directors takes the necessary and immediate actions on the findings by DAI, PA, and the results of supervision conducted by the Financial Services Authority and BI.
  - b. Provide recommendations to the Board of Commissioners to appoint independent quality assurance from external parties with the aim of conducting a review of DAI.
  
- Governance and Compliance
  - a. Monitor the implementation of effective and sustainable Good Corporate Governance (GCG).
  - b. Review and give advice to the Board of Commissioners on potential conflicts of interest that may occur at BCA.
  - c. Review BCA's compliance with regulations of the banking industry, the Capital Market and other applicable laws and regulations, as well as other provisions related to BCA's business activities.
  - d. Maintain the confidentiality of BCA's documents, data, and informations.
  - e. Attending BCA's Annual GMS.
  - f. Carry out other duties relevant to the function of the Audit Committee at the request of the Board of Commissioners.

#### **Duties and Responsibilities of ROC**

ROC has the following duties and responsibilities:

- a. Assist and provide recommendations to the Board of Commissioners to improve the effectiveness of its supervisory duties implementation and responsibilities in the field of risk management and ensure that the risk management policy is properly implemented.



- b. In providing recommendations to the Board of Commissioners, the ROC must conduct at least the following:
  - i. Evaluating the consistency between the risk management policy and the implementation of BCA's policy;
  - ii. Monitoring and evaluating the implementation of duties of the Risk Management Work Unit, the Risk Management Committee, and the Information Technology Steering Committee.
- c. Support the Board of Commissioners in carrying out its duties and responsibilities in the implementation of risk management, including, among other things, the following risks:
  - i. Credit Risk;
  - ii. Market Risk;
  - iii. Liquidity Risk;
  - iv. Operational Risk;
  - v. Legal Risk;
  - vi. Reputation Risk;
  - vii. Strategic Risk;
  - viii. Compliance Risk; and
  - ix. Information Technology Risk.
- d. Assist the Board of Commissioners in carrying out its duties of maintaining and monitoring the Bank's Soundness Level and taking the necessary measures to maintain and/or improve the Bank's Soundness Level.
- e. Assist the Board of Commissioners in monitoring and evaluating the implementation of the Recovery Plan Action.
- f. Develop working guidelines and rules for the Committee (the Charter) and conducting reviews as needed.
- g. Carry out other duties and responsibilities given by the Board of Commissioners from time to time.

#### **Duties and Responsibilities of RNC**

In carrying out its functions, the RNC has the following duties and responsibilities:

- Related to the remuneration function:
  - a. Evaluate and ensure that BCA's remuneration policies comply with applicable regulations and are based on performance, risk, fairness with peer groups, long-term goals and strategies, the fulfillment of reserves as stipulated in laws and regulations, and the potential income of BCA in the future.
  - b. Recommend to the Board of Commissioners regarding:
    - i. Remuneration policy for the Board of Commissioners and the Board of Directors for submission to the GMS.
    - ii. The structure and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
    - iii. Remuneration policy for Executive Officers and employees as a whole for submission to the Board of Directors by the Board of Commissioners.
  - c. Assisting the Board of Commissioners in evaluating performance according to the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
  - d. Conduct periodic evaluations of the implementation of the remuneration policy.
- Related to the nomination function:
  - a. Develop and recommend to the Board of Commissioners systems and procedures for selecting and/or replacing members of the Board of Commissioners and Directors for

- submission to the GMS.
- b. Recommend to the Board of Commissioners regarding:
    - i. Policies and criteria required in the nomination process.
    - ii. Candidates for members of the Board of Commissioners and/or candidates for members of the Board of Directors for submission to the GMS.
    - iii. Composition of members of the Board of Directors and/or members of the Board of Commissioners position.
    - iv. Capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
    - v. Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners.
  - c. Recommend independent parties as candidates for members of the Audit Committee and Risk Oversight Committee to the Board of Commissioners.
  - d. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material.
- Carry out other tasks given by the Board of Commissioners related to remuneration and nomination in accordance with applicable regulations.
  - Report the results of studies and recommendations related to the duties of the RNC to the Board of Commissioners, if necessary.

#### **Duties and Responsibilities of IGC**

The IGC has duties and responsibilities, including:

- a. Evaluate the implementation of Integrated Governance, at least through assessing the adequacy of internal control and the implementation of integrated compliance function and integrated risk management.
- b. Provide recommendations to the Main Entity's Board of Commissioners for improvements to the Integrated Governance Guidelines
- c. Provide recommendations to the Main Entity's Board of Commissioners after conducting at least:
  - i. Evaluation of integrated governance implementation; and
  - ii. Monitor the implementation of the Integrated Governance Guidelines.
- d. Make a report on the realization of the annual work program, which is submitted in the Main Entity's Annual Report.

#### **Committee Meeting Frequency**

##### **Audit Committee Meeting Frequency**

Audit Committee meetings are held according to the needs of BCA at least 4 (four) times a year, as stipulated in the Board of Commissioners Decree No. 142/SK/KOM/2022 dated 22 Agustus 2022 concerning the Audit Committee Charter of PT Bank Central Asia, Tbk.

Audit Committee meeting can only be held if it is attended by at least 51% (fifty-one percent) of the total members, including an Independent Commissioner and Independent Parties. In 2023, the Audit Committee has held 30 (thirty) meetings.

The results of the Audit Committee meeting were presented as follows:

1. The results of the Audit Committee Meeting must be stated in the Minutes of Meeting, which are signed by all members of the Audit Committee who are present and properly documented.
2. Dissenting opinions that occur at the Committee Meeting must be clearly stated in the Minutes of Meeting along with the reasons for the dissent.
3. The results of the Committee Meetings are recommendations that can be optimally used by the Board of Commissioners.

Data on the attendance of the Committee members at the Audit Committee meetings throughout 2023 is as follows:

Name	Number of Meeting	Attendance	Percentage
Sumantri Slamet	30	30	100 %
Fanny Sagitadewi	30	29	96.67 %
Rallyati A. Wibowo	30	30	100 %

### ROC Meeting Frequency

ROC meetings are held according to the BCA's needs, and at least once every quarter or 4 (four) times a year. ROC meetings can only be held if attended by at least 51% (fifty-one percent) of the total committee members, including 1 (one) Independent Commissioner and 1 (one) Independent Party. As of 31 December 2023, ROC has held 12 (twelve) meetings.

The results of the ROC meeting were presented as follows:

- a. The results of the ROC meeting must be included in the minutes of meeting, which must be signed by all ROC members present and documented in accordance with the law.
- b. Dissenting opinions that occur at the ROC Meeting must be clearly stated in the Minutes of Meeting along with the reasons for the dissent.
- c. The results of the ROC Meeting are recommendations that can be utilized optimally by the Board of Commissioners and Directors.

Data on the attendance of Committee members in the implementation of ROC meetings throughout 2023 are as follows:

Name	Number of Meeting	Attendance	Percentage
Cyrellus Harinowo	12	11	91.67 %
Endang Swasthika Wibowo	12	12	100 %
Subianto Rustandi <sup>*)</sup>	8	8	100 %

Note:

\*) Ceased to serve since October 1, 2023

### RNC Meeting Frequency

RNC holds meetings in accordance with the needs of BCA at least once every 4 (four) months, as stipulated in Financial Services Authority Regulation No.34/POJK.04/2014 dated December 8, 2014, concerning the Nomination and Remuneration Committee of Issuers or Public Companies. Meetings can only be held if they are attended by at least 51% (fifty one percent) of the total committee members, including Independent Commissioners and Executive

Officers in charge of the human resources function. As of December 2023, RNC has held 7 (seven) meetings.

The results of the RNC meeting were presented as follows:

- a. The results of the RNC meeting must be outlined in the minutes of the meeting, which include the date of the meeting, the attendance of members of the Remuneration and Nomination Committee, the meeting agenda, and meeting materials.
- b. Dissenting opinions that occur at a committee meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissent.

The data for the Committee members' attendance at the RNC meeting as of December 31, 2023, is as follows:

Name	Number of Meeting	Attendance	Percentage
Raden Pardede	7	7	100 %
D.E. Setijoso	7	7	100 %
Rudi Lim	7	7	100 %

Out of the 7 (seven) RNC meetings, there were 4 (four) meeting with a discussion related to remuneration, 2 (two) meetings with a discussion related to nomination, and 1 (one) meeting with a discussion related to other topics.

**IGC Meeting Frequency**

The IGC holds meetings as needed, at least once every semester or 2 (two) times a year, as stipulated in IGC Charter. The IGC meeting can only be held if it is attended by at least 51% (fifty one percent) of the total committee members, including 1 (one) Independent Commissioner. Throughout 2023, the IGC has held 6 (six) meetings.

Penyampaian hasil rapat KTKT adalah sebagai berikut:

- a. The results of the IGC meeting must be recorded in the minutes of the meeting, which are signed by all members of the IGC present and properly documented in accordance with laws and regulations.
- b. Dissenting opinion that occurs in a committee meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissent.
- c. The results of the IGC meetings constitute recommendations that can be optimally utilized by the Main Entity's Board of Commissioners and Board of Directors and Financial Services Institutions members of the Financial Conglomerate.

Data on the attendance of Committee members in the IGC Meeting throughout 2023 is as follows:

Name	Number of Meeting	Attendance	Percentage
Cyrellus Harinowo	6	6	100%
Prabowo	6	6	100%
Sulistiyowati	6	6	100%
Gustiono Kustianto	6	4	66.67%
Pudjianto	6	6	100%
Mendari Handaya *)	4	4	100%
Mathilda Simon **)	2	2	100%
Ratna Yanti	6	6	100%
Sutedjo Prihatono	6	6	100%
Hendra Iskandar Lubis	6	6	100%
Irianto Sutanto	6	6	100%
Sri Indrajanti Dewi *)	4	4	100%
Ina Suwandi **)	2	2	100%

Note:

\*) Term of office May 6, 2021 – September 14, 2023

\*\*) Term of office since September 14, 2023 – 2026 AGMS

## Realization of the Work Program and Implementation of Activities of Committees in 2023

### Realization of the Work Program and Implementation of Audit Committee Activities

Throughout 2023, the realization of the BCA Audit Committee Work Program is as follows:

- a. KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) was evaluated and recommended to the Board of Commissioners for reappointment to conduct an audit of BCA's Financial Statements for the fiscal year 2023.
- b. Hold a meeting with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC global network) to discuss the plan and scope of the audit of BCA's Financial Statements for the 2023 fiscal year.
- c. Held a meeting with Klynveld Peat Marwick Goerdeler Public Accountant Firm to discuss plans for a performance review and maturity assessment of DAI for the period of July 1, 2020 to June 30, 2023.
- d. Held a meeting with the Accounting Group to review the BCA Financial Report which will be published every quarter.
- e. Held 9 (nine) meetings with DAI for:
  - i. Evaluating annual planning.
  - ii. Evaluating the implementation of internal audits every semester.
  - iii. Conducting discussions on audit results that are considered significant.
  - iv. Discussing the appointment of an External Reviewer for DAI
- f. Reviewed internal audit results report and monitor their follow-up.
- g. Reviewed BCA's compliance with the provisions, regulations, and laws that apply in the banking sector through reviewing compliance reports on prudential provisions that are reported every semester.
- h. Reviewed credit portfolio reports published every semester.
- i. Monitored the implementation of risk management through quarterly reports on BCA's Risk Profile and monthly reports on the Operation Risk Management Information System (ORMIS).
- j. Conducted review on:
  - i. The results of the examination by the Financial Services Authority and its follow-up.
  - ii. Management Letter from KAP Tanudiredja, Wibisana, Rintis & Rekan - a member firm

- of the PwC global network and its follow-up.
- k. Reported the results of regular reviews and evaluations on the aspects of governance, risk management, compliance, and control to the Board of Commissioners every quarter.
  - l. Attended a virtual AGMS, Analyst Meeting and BCA National Working Meeting in 2023.
  - m. In accordance with Financial Services Authority Regulation No. 1/ POJK.03/2019, performed an assessment on the DAI, whose results are submitted to the Board of Commissioners to be forwarded to the Remuneration and Nomination Committee (RNC).
  - n. Conducted studies and held a meeting with KAP Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network to discuss the final results of the audit of BCA's Financial Statements for the 2023 fiscal year along with the Management Letter.
  - o. Held a meeting with KPMG to discuss the results of the performance review and DAI maturity assessment.

### **Realization of Work Program and Implementation of Activities of ROC**

Throughout 2023, ROC has carried out the following:

- a. Reviewed and adjusted the Risk Management Committee Charter.
- b. Monitored the implementation of the duties of the Risk Management Committee, the Risk Management Work Unit and the Information Technology Steering Committee (ITSC).
- c. Monitored and analyzed BCA's risk profile and specifically studied credit risk, operational risk, market risk, liquidity risk, as well as reputation risk.
- d. Performed analysis and evaluation on the results of stress tests for credit risk, market risk, and liquidity risk.
- e. Ensuring that the implementation of Good Corporate Governance is carried out properly and attending the Analyst Meeting and the 2023 BCA National Work Meeting virtually.
- f. Monitored the realization of the implementation of Risk Management, particularly the control and limit of credit, liquidity and market risk, as well as operational risk, every month.
- g. Monitored the developments, impacts, and risk mitigation in general related to the COVID-19 pandemic and the global economic downturn.
- h. Analyze changes in strategic risk profiles and parameters due to changes in business and economic activity patterns due to the impact of the pandemic and its response.
- i. Conduct credit risk and strategic risk analysis evaluations on credit portfolios.
- j. Analyze and evaluate operational risks and strategic risks related to payment transactions.
- k. Evaluate the implementation of third-party risk management.
- l. Evaluate the Risk Appetite Statement.
- m. Monitor and explore new regulations related to risk management and IT risk management governance.

### **Realization of the Work Program and Implementation of RNC Activities**

The realization of the BCA RNC work program for 2023 is as follows:

- a. Prepare recommendations regarding proposals for granting *tantiem* to the Board of Commissioners and the Board of Directors for BCA's performance in 2023.
- b. Evaluate the results of the self-assessment of the Board of Directors and Board of Commissioners.
- c. Refining the Remuneration and Nomination Committee Charter.

### **Realization of the Work Program and Implementation of IGC Activities**

Throughout 2023, the IGC has carried out IGC work activities/programs, namely evaluating the adequacy of implementation of Integrated Governance at the BCA Financial Conglomerate. These evaluation activities are carried out, namely through the presentation

and discussion on the Integrated Internal Audit Results Report and the Integrated Compliance Report.

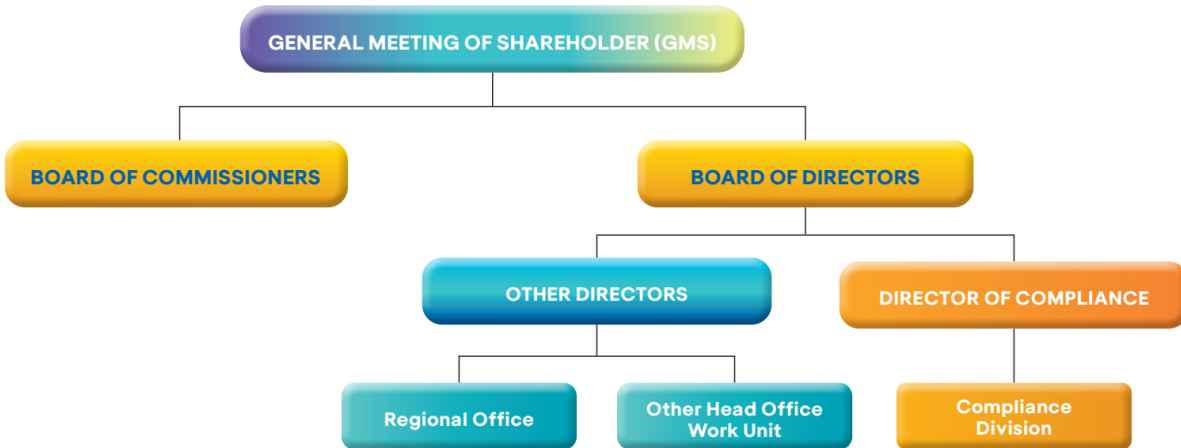
**3) Implementation of Compliance Function, External Internal Audit and External Audit**

**a. Implementation of Compliance Function**

In order to carry out the compliance function in accordance with Financial Services Authority Regulation No. 46/POJK.03/2017 concerning the Implementation of Compliance Functions for Commercial Banks BCA has established a Compliance Division (DCP) as an independent work unit free of influence from other work units to carry out compliance functions. In addition, BCA, as the Main Entity in the BCA Financial Conglomeration, has added an Integrated Compliance Function to the DCP organizational structure in order to implement Integrated Governance for the Financial Conglomeration.

**Organizational Structure of DCP**

The DCP organizational structure is stipulated by the Board of Directors’ Decree No. 247/SK/DIR/2022, dated December 28, 2022. The Head of Compliance Division, whose appointment has been reported to the Financial Services Authority, leads the DCP. The DCP reports directly to the Director of Compliance. The appointment and promotion of the Compliance Director has met the applicable requirements and is being carried out in accordance with the Financial Services Authority’s procedures.



**DCP Responsibilities**

The DCP’s responsibilities are as follows:

- Monitor BCA’s level of compliance with Financial Services Authority, BI, and other regulators’ requirements. This includes ensuring that BCA’s policies, regulations, systems, and procedures, as well as business activities, comply with regulatory requirements.
- Coordinating the Implementation of Anti-Money Laundering, Counter-Terrorism Financing, and Prevention of Financing for the Proliferation of Weapons of Mass Destruction (AML, CTF, and PFPWMD) Programs, including conducting risk assessments for implementing the AML, CTF, and PFPWMD programs in accordance with the regulator’s provisions.
- Carry out the Gratification control function within BCA.

**Integrated Compliance Function**

BCA, as the Main Entity in the BCA Financial Conglomeration, has also added an integrated compliance function to the DCP organizational structure in order to implement Integrated Governance in accordance with Financial Services Authority Regulation No.

18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates. The integrated compliance function in the DCP's main task is to monitor and evaluate the implementation of the compliance function and the level of compliance at each Financial Services Institution (FSI) in the BCA Financial Conglomerate, including the implementation of the AML, CTF, and PFPWMD Programs.

In order to ensure the implementation of BCA's compliance function, the Board of Directors and Board of Commissioners have also exercised active supervision through, among other things, policy and procedure approval, periodic reporting, requests for explanations, and meetings.

### **Implementation of Compliance Function Work in 2023**

DCP carried out the following functions in 2023:

1. Promote the development of a compliance culture.
  - Socialize/inform the Board of Directors, Board of Commissioners, and work units regarding new regulations issued by regulators.
  - Provide information on Financial Services Authority, BI, and other laws and regulations on the BCA portal site, which work units can access.
  - Involve DCP's human resources in a variety of trainings, regulatory socialization seminars from regulators, and risk management certification, as well as actively participating in the Banking Compliance Director Communication Forum working group.
  - Provide suggestions/responses to questions from work units or branches in order to carry out consultative functions related to the implementation of applicable regulations.
2. Ensure that BCA's policies, provisions, systems, and procedures, as well as its business operations, are in accordance with the provisions, including:
  - Identify potential sources of compliance risk.
  - Conduct a gap analysis, assess the impact of new provisions on BCA operations, and propose for adjustment to internal manuals, policies, and procedures.
  - Develop a Compliance Matrix Diary as a monitoring tool to ensure adherence to reporting obligations to regulators.
  - Conduct reviews and provide opinions to ensure compliance with applicable regulatory provisions regarding:
    - New product and activity plans;
    - Draft internal regulations to be published;
    - Compliance with corporate credit releases; and
    - Documents in the context of capital investment plans.
  - In collaboration with Branch Internal Supervisors and Regional Office Internal Supervisors, conduct compliance tests on the implementation of provisions at Branch Offices and Regional Offices.
  - Monitor the level of compliance with applicable regulatory provisions relating to prudential banking principles, specifically:
    - Minimum Capital Adequacy Requirement;
    - Minimum Statutory Reserve;
    - Macprudential Liquidity Buffer;
    - Net Open Position;
    - Maximum Legal Lending Limit;
    - Non-Performing Loans (NPL);
    - Macprudential Intermediation Ratio;



- Liquidity Coverage Ratio (LCR);
  - Net Stable Funding Ratio (NSFR);
  - Macroprudential Inclusive Financing Ratio.
  - Monitoring the imposition of sanctions/fines from regulators.
  - Conduct compliance risk assessments and prepare Compliance Risk Profile Reports quarterly to manage compliance risks.
  - Prepare quarterly compliance monitoring reports for the Board of Directors and the Board of Commissioners.
  - Coordinate with work units within the framework of risk-based Bank Health Level assessments
  - Implement BCA Governance and Integrated Governance in collaboration with the Environment Sustainability Governance Group.
  - Utilize information technology, also known as Regulatory Technology (RegTech), to increase efficiency and effectiveness in the process of managing regulatory regulations, as well as to maintain an up-to-date regulatory regulations database
3. Ensure BCA's compliance with regulatory commitments, including:
- Monitor BCA's commitment to Financial Services Authority, BI, and other regulators in collaboration with DAI.
  - Monitor and follow up on information/ data requests from the Financial Services Authority, BI, and other regulators in the context of bank supervision.
4. Perform gratification control functions such as:
- Create policies and procedures for gratification control.
  - Coordinate socialization activities to all BCA Personnel and stakeholders regarding Gratification control provisions.
  - Receive and administer BCA Personnel Gratification reports.
  - Report to the Board of Directors on the implementation of Gratification control on a regular basis, at least once a year.
5. Monitor and evaluate the compliance function both in an integrated manner and at each Subsidiary Company within the BCA Financial Conglomerate, including:
- Create and submit Integrated Compliance Reports to the Board of Directors and the Board of Commissioners.
  - Collaborating with work units in the context of risk-based assessment of the Consolidated Bank's Health Level.
  - Conduct reviews and provide opinions to ensure that BCA's Collaboration Synergy plans with Subsidiary Companies are in compliance with regulatory requirements.
  - Coordinate with the Subsidiary Company's Compliance PIC in the context of preparing an Integrated Compliance Risk Profile each semester.
  - Communicate with Subsidiary Companies in the context of implementing the compliance function.

## 2023 Compliance Indicators

The following compliance indicators for 2023 represent BCA's commitment to and level of compliance with applicable laws and regulations:

**Table of Compliance Indicators for 2023**

No.	Compliance Indicator	Applicable Provision	BCA Achievement	Description
1	Minimum Capital Adequacy Requirement	Min. 14% < 15%	29.44%	Complied with the applicable provisions
2	Non-Performing Loan (NPL) Net	Max 5%	0.58%	
3	Maximum of Legal Lending Limit	Max. 10% of total capital	4.85%	
4	Minimum Statutory Reserve Rupiah	Min. 6.20%	8.36%	
5	Macroprudential Liquidity Buffer	Min. 5%	33.89%	
6	Minimum Statutory Reserve Foreign Currency	Min. 4%	4.71%	
7	Net Open Position	Max. 20%	0.11%	
8	Liquidity Coverage Ratio (LCR)	Min. 100%	357.76%	
9	Macroprudential Intermediation Ratio (RIM)	84% - 94%	72.19% <sup>1)</sup>	
10	RIM Current Account	Min. according to the provisions	1.96%	In accordance with RIM's description below
11	Net Stable Funding Ratio (NSFR)	Min. 100%	166.59%	Complied with the applicable provisions
12	Macroprudential Inclusive Financing Ratio	Target December 2023 Min. 20.5%	21.27%	

Note:

<sup>1)</sup> BCA's Macroprudential Intermediation Ratio for December 2023 is smaller than the lower limit of the Macroprudential Intermediation Ratio Target set by BI at 84% in PADG No. 22/11/PADG/2020 dated April 29, 2020 concerning Amendments to PADG No. 21/22/PADG/2019 concerning the Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units, so that BCA is obliged to establish RIM Current Account in Rupiah in the amount calculated between the Lower Disincentive Parameter and the difference between BCA RIM and Target RIM against the Rupiah Third Party Fund.

Based on PADG No. 23/7/PADG/2021 dated April 26, 2021 concerning the Third Amendment to PADG No. 21/22/PADG/2019 concerning Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units, there is a Lower Disincentive Parameter related to RIM compliance, in which since January 2022, the Lower Disincentive Parameter for Banks with RIM conditions < 84 %, NPL < 5% and Minimum Capital Adequacy Requirement > 19% are set at 0.15.

## Anti-Money Laundering, Counter-Terrorism Financing, and Prevention of Financing for the Proliferation of Weapons of Mass Destruction (AML, CTF, and PFPWMD) Programs

BCA is committed to implementing Anti-Money Laundering, Counter-Terrorism Financing and Prevention of Financing for the Proliferation of Weapons of Mass Destruction (AML, CTF, and PFPWMD) programs in accordance with Financial Services Authority Regulation No. 8 of 2023 concerning Implementation of Anti-Money Laundering Programs, Prevention of Terrorism Financing, and Prevention of Funding for the Proliferation of Weapons of Mass Destruction in the Financial Services Sector. During 2023, the following activities will be carried out in connection with the implementation of the AML, CTF, and PFPWMD programs:

- Provide periodic reports to the Board of Directors and Board of Commissioners on the implementation of the AML, CTF, and PFPWMD.
- Monitoring suspicious financial transactions with a web-based application called STIM (Suspicious Transaction Identification Model), as well as developing and improving the application system with the latest technology and updating parameters to detect suspicious transactions.
- Coordinate the implementation of updating customer data by setting targets and monitoring their achievement.
- Reviewing new product and activity plans to ensure compliance with the AML, CTF, and PFPWMD provisions.
- Screening customer and transaction data against watchlists published by competent authorities, such as the List of Suspected Terrorists and Terrorist Organizations, List of

Financing for the Proliferation of Weapons of Mass Destruction, The Office of Foreign Assets Control (OFAC) List, United Nations (UN) List, and European Union (EU) List, when opening an account and when the watchlist list changes.

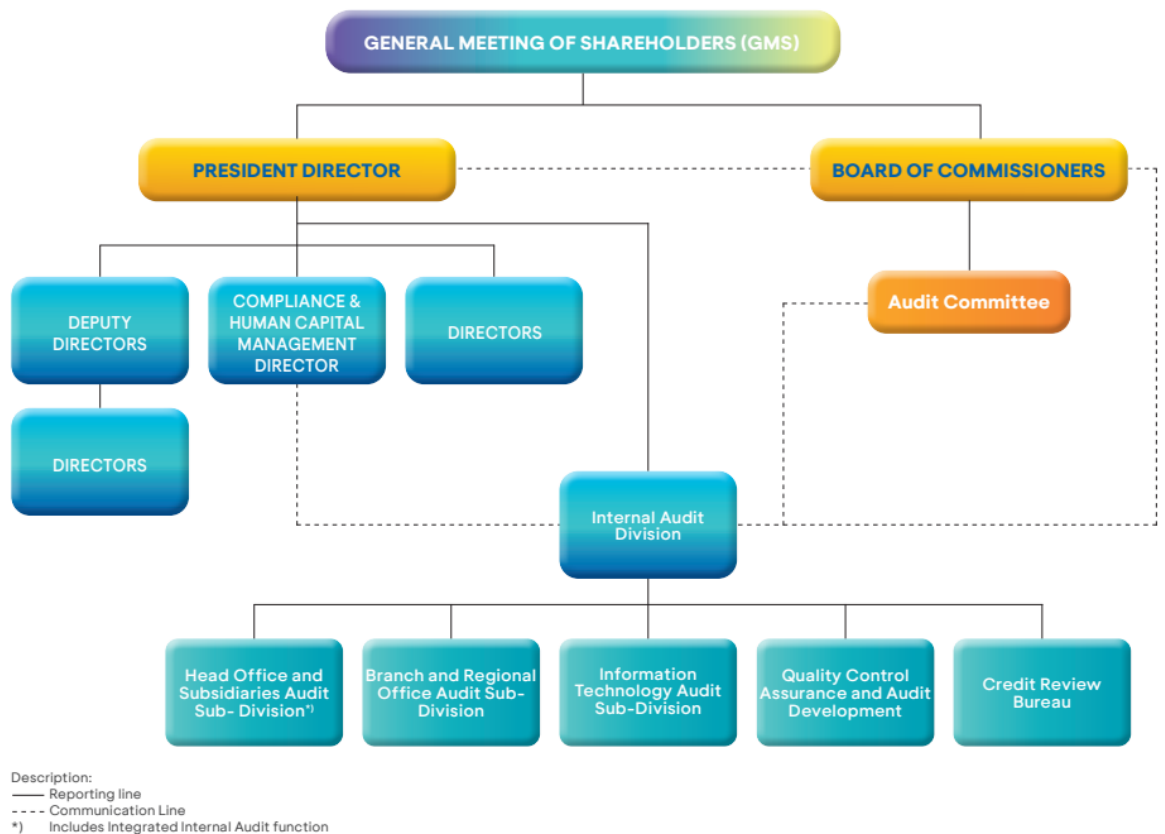
- Identify and assess risks associated with the implementation of AML, CTF, and PFPWMD using a risk-based approach, considering customer, country or geographic area, product and service, and distribution network factors.
- In collaboration with Branch Internal Supervisors, conduct compliance tests on the implementation of AML, CTF, and PFPWMD at Branch Offices.
- Reporting suspicious financial transactions, cash financial transactions, and financial transactions transferring funds to and from abroad, as well as submitting data to the Financial Transaction Reporting and Analysis Center (PPATK) via the Integrated Service User Information System (SIPESAT) and the Information System for Suspected Terrorism Financing (SIPENDAR).
- Ongoingly increase understanding of AML, CTF, and PFPWMD by holding training and socialization through classroom training, online training, e-learning, and virtual/hybrid events, as well as internal forums such as Regional Coordination Meetings and Coordination Meetings of Heads of Branch Operations and Service Operations Forum.
- Developing training materials for AML, CTF, and PFPWMD applications.
- Review and provide feedback on new product and activity plans, as well as draft internal regulations to be issued, to ensure compliance with applicable AML, CTF, and PFPWMD provisions.
- Participate in activities organized by the regulator, including:
  - Implementation of PPATK's Financial Integrity Rating (FIR).
  - Implementation of Focus Group Discussions to Follow Up on Mutual Evaluation Review (MER) Results related to the Financial Services Sector.
  - Hold a meeting on the Collecting and Integrating Initial Data PPP Project regarding Investment Fraud.

#### **b. Internal Audit Division**

Internal Audit Division (DAI) performs its duties and responsibilities independently and objectively, led by the Head of the Division, whose appointment and dismissal are carried out by the President Director after obtaining the approval of the Board of Commissioners, considering the Audit Committee's recommendations. DAI's audit aims to assess the adequacy and effectiveness of risk management, internal control, and governance framework processes, as well as performance quality and provide consultations. DAI was formed to increase and protect BCA's value by providing risk-based and objective assurance, advice, and insight, as well as acting as a strategic management partner in building BCA into a leading bank in Indonesia. The implementation of the DAI function is guided by Financial Services Authority Regulation No. 1/POJK.03/2019 dated January 28, 2019 concerning the Implementation of the Internal Audit Function in Commercial Banks and Mandatory Guidance established by The Institute of Internal Auditors as an internal audit professional standard.

DAI, in its role as third line, continuously coordinates and communicates with work units/other line functions in order to collaborate and contribute to each other in creating and maintaining value that is aligned with stakeholder interests.

## Structure and Position of the Internal Audit Division



DAI's organizational structure is reviewed on a regular basis to ensure that it is in line with the company's business needs and developments. The Board of Directors' Decree No. 063/SK/DIR/2017 concerning Revision of the Organizational Structure of the Internal Audit Division (DAI) standardized the most recent update to DAI's organizational structure. DAI is responsible directly to the President Director and has direct communication with the Board of Commissioners and the Audit Committee.

DAI is led by the Head of Division whose appointment and dismissal is made by the President Director with the approval of the Board of Commissioners considering the recommendation of the Audit Committee. The structure and position of DAI is independent as it reports directly to the President Director and can communicate directly with the Board of Commissioners, Audit Committee, Compliance Director and Supervisory Director of Subsidiary Companies.

### Internal Audit Charter

BCA Internal Audit Charter is a framework that provides guidance in carrying out Audit tasks and consists of mission, organizational position, independence and objectivity, authority, and scope of work. The Internal Audit Charter has been reviewed in 2022 in which it was approved by the President Director and the Board of Commissioners by considering the recommendations of the Audit Committee. The Internal Audit Charter refers to Financial Services Authority Regulation No. 56/POJK.04/2015 regarding the Establishment and Guidelines for the Preparation of the Internal Audit Charter and is in accordance with Financial Services Authority Regulation No. 1/POJK.03/2019 dated January 28, 2019 concerning the Implementation of the Internal Audit Function in Commercial Banks and applicable professional standards.

## **Independence & Objectivity**

DAI's position is independent of operational work units or risk-taking units, as DAI does not have the authority and responsibility to carry out operational activities at BCA and its Subsidiaries.

Every internal auditor must declare that he has no family/ financial/other interests in the audit object and/or the party being audited (auditee) that could affect the objectivity of the audit.

In 2023, DAI carried out audit activities independently where there are no conflicts of interest, restrictions on scope and access to data, personnel, or property, or resource constraints that could affect the independence and objectivity of audit implementation.

## **Auditor Code of Ethics**

In carrying out their duties and responsibilities, internal auditors are required to behave professionally and comply with established ethical standards. The standard auditor code of ethics refers to the International Professional Practices Framework (IPPF) - The Institute of Internal Auditors (IIA), which consists of:

### **1. Integrity**

Internal auditors are obliged to have integrity that fosters trust so that it can serve as the foundation for other parties' confidence in the internal auditor's judgment.

### **2. Objectivity**

Internal auditors are obliged to demonstrate high professional objectivity in carrying out their duties and responsibilities, conduct a balanced assessment of all aspects, and not be influenced by personal interests or specific parties in providing considerations.

### **3. Confidentiality**

Internal auditors are obliged to maintain the confidentiality of information received and not disclose this information without legal authority.

### **4. Competence**

Internal auditors must have the knowledge, skills, and experience required to carry out audits.

## **Internal Audit Duties and Responsibilities**

The following are the tasks and responsibilities of Internal Audit in performing its functions:

1. Assist the President Director, the Board of Commissioners and the Audit Committee in carrying out their oversight functions.
2. Assess the adequacy and effectiveness of the company's governance, risk management, and internal control processes.
3. Resource and budget usage evaluation.
4. Provide the objective improvement recommendations for the activity being audited at all levels of management.
5. Performing consulting service for the internal parties needed.
6. Coordinate with work units that carry out other internal control functions.
7. Perform integrated internal audit function.

## **Audit Implementation and Quality Control Standards**

DAI's audit function implementation standards are guided by the Internal Audit Professional Standards, including:

- Financial Services Authority Regulation No. 1/POJK.03/2019 concerning the Implementation of Internal Audit Function in Commercial Banks.
- Financial Services Authority Regulation No. 11/POJK.03/2022 concerning the Implementation of Information Technology in Commercial Banks.
- Mandatory Guidance set by the Institute of Internal Auditors.
- Information System Audit and Control Association (ISACA) standards as a reference for

best practices.

Internal audit applies a risk-based audit methodology in its activities which includes planning, implementation, and reporting as well as monitoring follow-up improvements. In line with technological advances, DAI strives to continuously optimize the use of data, tools, and technology to increase the effectiveness and efficiency of audit implementation as well as increasing added value and early warning systems for potential errors/fraud, including the implementation of Continuous Auditing, Machine Learning and Predictive Analytic Tools.

DAI has used an integrated Audit Management System to support the implementation of audit activities, from audit planning to audit process implementation to monitoring follow-up audit results, which can be observed via the dashboard.

DAI has a quality control and audit development group that is in charge of ensuring conformity with established standards, among other things. External reviews as part of independent quality control have been carried out every 3 (three) years, most recently in 2023 for the inspection period 1 July 2020 - 30 June 2023, with the conclusion of “generally conform” and reported by BCA to the Financial Services Authority in August 2023.

### **Implementation of Internal Audit Division Duties in 2023**

In 2023, DAI carried out audits of Branch Offices, Regional Offices, Head Office Divisions/Work Units, and Subsidiary Companies as well as business processes, in accordance with the Annual Audit Plan, which is determined based on the results of risk assessments that are carried out periodically by considering various current risk factors. The focus of audit implementation in 2023 includes:

1. Reliability of the main applications that support bank operations, such as systems for third-party funds, credit, and remittance
2. Data governance
3. Merchant network management (EDC)
4. Credit quality and restructuring
5. Implementation of Environmental Sustainability Governance
6. Treasury Activities
7. Handling complaints

In 2023, DAI has held meetings with the President Director 8 (eight) times, meetings with the Audit Committee 6 (six) times, and meetings with the Board of Commissioners 2 (two) times.

### **Focus of Audit Activities in 2024**

The focus of the audit examination in 2024 is in accordance with the results of the macro-risk assessment, especially those related to credit risk, operational risk, market risk, and liquidity risk, including:

1. Credit quality and restructuring.
2. Reliability of the main applications that support bank operations, such as systems for third party funds, credit and trade finance.
3. System Development Life Cycle (SDLC).
4. Information Technology related procurement process.
5. Online account opening process and implementation of Anti-Money Laundering, Prevention of Financing of Terrorism (AML/CFT)/Financing of Proliferation of Weapons of Mass Destruction (PFPWMD).
6. Treasury Activities.
7. Increasing the role of Early Warning Systems (EWS) by continuing to increase the

scope of inspections through continuous auditing and data analytics and developing predictive analytic tools/machine learning for early detection of potential errors/fraud.

8. Improving the integrated internal audit function by providing support for the internal audit development of Subsidiaries.
9. Continue to develop auditor professionalism in a sustainable manner.

### **c. Implementation Of The External Audit Function**

In order to fulfill the implementation of the external audit function in accordance with Financial Services Authority Regulation No. 13/ POJK.03/2017 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities and Financial Services Authority Circular Letter No. 36/SEOJK.03/2017 concerning Procedures for Using the Services of Public Accountants and Public Accounting Firms in Financial Services Activities, then:

1. BCA uses the services of a Public Accountant (PA) and/or a Public Accountant Firm (PAF) to carry out an annual audit of historical financial information based on a cooperation agreement with the PAF, which states the scope of the audit.
2. The appointed PA and/or PAF is a PA and/or PAF that is actively registered with the OJK and has competence in accordance with the complexity of the BCA's business.
3. The use of audit services from the same PA is limited, and the longest period of audit is 7 (seven) cumulative financial years. BCA can reuse annual historical financial information audit services from the same PA after a cooling off period of 5 (five) consecutive financial reporting.
4. The appointment of PA and/or PAF to provide audit services on annual historical financial information must be decided by the GMS shall take into consideration the recommendations of the Board of Commissioners. The said proposal must consider the recommendations of the Audit Committee. In the event that the GMS cannot decide on the appointment, the GMS can delegate the intended authority to the Board of Commissioners, accompanied by an explanation regarding the reasons for the delegation of authority and the criteria or limitations for PA/PAF who can be appointed.
5. In preparing recommendations, the Audit Committee may consider:
  - a. Independence of PA, PAF, and PAF Insiders;
  - b. Audit scope;
  - c. Audit service fees;
  - d. Expertise and experience of PA, PAF, and the Audit Team from the PAF;
  - e. The audit methodology, techniques, and tools used by the PAF;
  - f. The benefits of fresh perspective that will be obtained through the replacement of the PA, PAF, and the Audit Team from the PAF;
  - g. The potential risk of using audit services by the same PAF consecutively for a long period of time; and/or
  - h. Results of the evaluation of the implementation of the provision of audit services on annual historical financial information by PA and PAF in the previous period.
6. BCA reports on the appointment of a PA and/or PAF for an audit of annual historical financial information by using the form contained in the attachment to the Financial Services Authority Circular Letter No. 18/SEOJK.13/2023, concerning Procedures for Using PA and PAF Services in Financial Services Activities, by attaching:

- a. Appointment documents for PA and/or PAF including the Summary of Minutes of the General Meeting of Shareholders or Minutes of the General Meeting of Shareholders, as well as the Work Agreement between BCA and PAF.
- b. Audit Committee recommendations and the factors considered in making the recommendations for the appointment of a PA and/or PAF.

### Effectiveness of External Audit Implementation

The Audit Committee evaluates the implementation of the provision of audit services on annual historical financial information by the PA and/or PAF which at the minimum includes:

- a. Conformity of audit implementation by PA and/ or PAF with applicable audit standards;
- b. Adequacy of field work time;
- c. Assessment of the scope of services provided and the adequacy of sampling; and
- d. Recommendations for improvements provided by the PA and/or PAF.

The report on the evaluation results of the Audit Committee was submitted by the Board of Directors of BCA using the form contained in the attachment to Financial Services Authority Circular Letter No.18/SEOJK.13/2023, concerning the Procedures for Using the Services of Public Accountants and Public Accounting Firms in Financial Services Activities and signed by the Audit Committee on February 9, 2023.

**Relationship Between Banks, Public Accountants, and the Financial Services Authority**  
BCA constantly communicates with external auditors regarding audit implementation plans, audit progress, and other important issues during audits to ensure the audit process runs smoothly. In accordance with applicable laws and regulations, the audit results report is submitted to Financial Services Authority.

### 2023 Audit Fees

KAP Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network, was appointed as the auditor of BCA and certain of its Subsidiaries to audit the financial statements for the year ending December 31, 2023, with details of fees charged to each Subsidiary as shown in the table below:

No.	Company	Services Performed in 2023	Service Fee <sup>1)</sup>
1	PT Bank Central Asia Tbk	Audit	Rp8,583,600,000.00
		Industrial training for mining and telecommunications	Rp150,000,000.00
		AUP Custodian <sup>**)</sup>	Rp40,000,000.00
2	PT BCA Finance	Audit	Rp939,100,000.00
3	PT Asuransi Umum BCA	Audit	Rp600,000,000.00
4	PT BCA Sekuritas	Audit	Rp385,000,000.00
		AUP Reconciliation of Securities Ledger <sup>**)</sup>	Rp60,000,000.00
		NAAE MKBD <sup>**)</sup>	Rp65,000,000.00

Note:  
<sup>\*</sup> VAT not included.  
<sup>\*\*</sup> Included in audit fees.



**Information regarding the PAF and PA that performed audit services for BCA for the past 7 (seven) years is as follows:**

No.	2023	2022	2021	2020	2019	2018	2017
PAF	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network	Tanudiredja, Wibisana, Rintis & Rekan - a member firm of the PwC global network
PA	Lucy Luciana Suhenda	Jimmy Pangestu	Jimmy Pangestu	Jimmy Pangestu	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Lucy Luciana Suhenda

#### 4. Risk Management System

BCA has an effective risk management system and internal control system that are tailored to BCA's objectives, business policies, size, and complexity of business activities. The Board of Commissioners and the Board of Directors of BCA is in charge of implementing integrated risk management and internal control systems at BCA and its subsidiaries.

BCA follows regulatory requirements and refers to international best practices when implementing risk management.

##### Risk Management System Overview

BCA has implemented an integrated Risk Management System Framework to manage risk. This framework is used to establish strategy, organization, policies and procedures, as well as risk management infrastructure, in order to ensure that all risks encountered by BCA can be correctly identified, measured, monitored, controlled, and reported.

The framework for BCA's and integrated risk management implementation describes a risk management framework and process that have interrelationship and reciprocal relationship, both between, the Board of Commissioners, the Board of Directors, Supporting Committees under the Board of Commissioners and the Board of Directors, between Divisions or Work Units and with Subsidiaries.

The implementation of BCA risk management includes:

- Active supervision by the Board of Commissioners and the Board of Directors. In carrying out active supervision, the Board of Commissioners and Board of Directors is accountable for the effectiveness of risk management implementation, ensuring that risk management implementation is adequate in accordance with BCA's characteristics, complexity, and risk profile, and properly understanding the types and levels of risk attached to BCA's business activities.
  - a. Oversight by the Board of Commissioners is assisted by the Risk Oversight Committee (ROC), whose function is as follows:
    - i. Provide independent professional recommendations and opinions regarding the conformity of policies and the implementation of risk management policies to the Board of Commissioners.
    - ii. Monitor and evaluate the implementation of the duties of the RMC and Risk Management Division (MRK).
  - b. Oversight by the Board of Directors is assisted by:
    - i. RMC, which has the main task of providing recommendations to the President Director which at least includes the following:
      - o Formulate policies, strategies, and guidelines for implementing risk

- management.
    - Improve or refine the implementation of risk management based on the results of evaluating the implementation of effective risk management process and system.
    - Determine matters related to business decisions that deviate from normal procedures (irregularities).
  - ii. IRMC has the main task of providing recommendations to the Board of Directors which at least include:
    - Formulate integrated risk management policies.
    - Improve or refine the integrated risk management policies based on the results of the implementation evaluation.
  - iii. Other committees tasked with handling specific risks, among others, the Credit Policy Committee (CPC), Credit Committee (CC), Information Technology Steering Committee (ITSC), and the Asset Liability Committee (ALCO).
- c. Risk Management Division (MRK) has been established to ensure that BCA and its Subsidiaries carry out integrated risk mitigation properly through identification, measurement, monitoring, control, and reporting in accordance with the risk management framework and are able to deal with emergency situations that threaten BCA's business continuity. MRK's authorities and responsibilities include: Wewenang dan tanggung jawab MRK mencakup:
- i. Carry out authority and responsibility in accordance with Financial Services Authority Regulation No. 18/ POJK.03/2016 dated March 16, 2016, concerning the Implementation of Risk Management for Commercial Banks, including:
    - Provide input to the development of policies, strategies, and risk management frameworks for the Board of Directors, as well as monitor their implementation.
    - Develop procedures and tools for identifying, measuring, monitoring, and controlling risks.
    - Monitoring risk positions or exposures, including compliance with risk tolerances and limits established.
    - Carry out stress testing.
    - Evaluate proposed new products and/ or activities.
    - Assess the accuracy and validity of risk measurement data.
    - Conduct regular reviews to ensure the adequacy of the framework and the risk management information system, as well as the accuracy of the risk assessment methodology.
  - ii. Carry out integrated risk management authority and responsibility in accordance with Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014, concerning the Implementation of Integrated Risk Management for Financial Conglomerates as one of the functions of MRK and coordinating with work units in each Subsidiary Company that carry out Risk Management functions.
- Adequacy of Risk Management Policies and Procedures, as well as Risk Limit Determination
    - a. BCA has performed risk management and ensured the availability of policies and determination of risk limits, which are supported by procedures, reports, and information systems that provide management with accurate and timely information and analysis, including determining steps to deal with significant changes in market conditions.

- b. BCA has ensured that operational and business aspects, as well as the level of risk that may occur in a work unit, have been taken into account in the process of developing work systems and procedures.
  - c. In accordance with regulatory provisions, BCA has a Basic Risk Management Policy and a Basic Integrated Risk Management Policy of the BCA Financial Conglomerate (BCA FC), which include, among other things:
    - i. Risk management implementation framework for each type of risk.
    - ii. Risk management implementation report.
    - iii. Implementation of consolidated risk management.
    - iv. Implementation of integrated risk management.
  - d. Regularly review and update policies, procedures and risk management framework in accordance with BCA's needs and regulatory requirements.
- Adequacy of risk identification, measurement, monitoring, and control processes, as well as risk management information systems
    - a. BCA has adequate risk identification, measurement, monitoring, and control procedures in place, as well as a risk management information system. Monitoring is carried out by both the implementing unit and MRK, and the results are reported to management on a regular basis in order to mitigate risks and take appropriate actions.
    - b. BCA has created a management information system that is specific to the characteristics, activities, and complexity of business operations. The risk management information system is reviewed on a regular basis in accordance with BCA's needs and regulatory requirements.
    - c. Every quarter, BCA prepares and submits a Risk Profile Report, and every semester, an Integrated Risk Profile Report.
  - Comprehensive Internal Control System.

### **Types of Risk and Its Management**

According to Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 16, 2016, concerning the Implementation of Risk Management for Commercial Banks, BCA manages 8 (eight) types of risk, and according to Financial Services Authority Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA as the Main Entity of the BCA Financial Conglomerate (BCA FC) must manage an additional 2 (two) types of risk, namely:

#### **1. Credit Risk**

- a. Credit organization is improved continuously by referring to the four eyes principle in which credit decisions are taken based on considerations from two sides, namely the business development side and the credit risk analysis side.
- b. BCA constantly reviews internal credit regulations to ensure that they are in line with BCA developments, regulatory requirements, prudential banking principles, and international best practices
- c. Develop and improve:
  - Credit risk management procedures and systems via the "Loan Origination System" to improve the effectiveness and efficiency of the credit granting process.
  - Debtor risk profile measurement system.
  - Credit database.
- d. In order to maintain credit quality in line with risk appetite, BCA has:

- Regularly monitored credit quality, including credit restructuring affected by COVID-19, both per credit category (Corporate, Commercial, Small and Medium Enterprise (SME), Consumer, and Credit Card), per industrial sector, and overall credit portfolio.
- Conduct close monitoring and authority control over branches with SME/mortgage/credit card loans with a TPF30+ ratio (>30 days in arrears) and high NPLs so that branches can focus on improving their credit quality.
- Determine credit limits and monitor these limits.
- e. Conduct regular credit portfolio stress testing analysis and monitoring of the results so that BCA can develop appropriate strategies to mitigate these risks as part of the “contingency plan” implementation.
- f. BCA has routinely monitored and controlled credit risk in Subsidiary Companies, and has ensured that Credit Risk Management Policies are good and effective.
- g. Developing credit monitoring tools such as the Early Warning System (EWS) as a forwardlooking loan monitoring system.
- h. Creating a Credit Scoring System and Credit Quality Risk Model using Advanced Analytics approach to support sustainable credit business growth.
- i. In line with the development of the national economy and as a follow-up to:
  - OJK Board of Commissioners Decree No. 34/KDK.03/2022 concerning Determination of the Accommodation and Food and Drink Provision Sector, the Textile and Textile Products and Footwear Sector, the Micro, Small and Medium Business Segment and the Province of Bali as Sectors and Regions that Require Special Treatment for Bank Credit or Financing, And
  - Financial Services Authority Regulation No. 19 of 2022 concerning Special Treatment for Financial Services Institutions in Certain Regions and Sectors in Indonesia Affected by Disasters.
- j. BCA has prepared and revised a policy for extending credit restructuring for debtors affected by COVID-19, including:
  - Criteria for debtors and industrial/economic sectors whose credit restructuring can be extended.
  - Determination of credit quality for COVID-19 restructured debtors.
  - Authority of officials to decide on COVID-19 restructuring.

## **2. Market Risk**

- a. In order to manage foreign exchange rate risk, BCA has set Net Open Position (NOP) limits per branch and combined, and measurements have been performed using the Value at Risk (VaR) method with a Historical Simulation approach for internal reporting.
- b. BCA manages trading book portfolios exposed to interest rate risk by establishing and monitoring the use of Nominal Limits, Value at Risk Limits (VAR), and Stop Loss Limits, as well as performing valuations based on actual transaction prices (close out prices) or quoted market prices from an independent source.
- c. BCA measures banking book interest rate risk using 2 (two) perspectives, namely:
  - Economic Value Perspective, using the Economic Value of Equity (EVE) method, is a method that measures the impact of interest rate changes on the economic value of bank equity.
  - Earnings Basis Perspective, using the Accrual Method, is a method for calculating the impact of changes in interest rates on a bank’s Net Interest Income (NII).
- d. ALCO regularly monitors:
  - Market developments, movements in reference interest rates and interest rates offered by competing banks to determine deposit and credit interest rates.

- Fixed interest loans and banking book securities.
- e. BCA conducts stress testing on a regular basis with various scenarios, deepening the factors and parameters in stress testing.
- f. Calculation of Minimum Capital Adequacy Requirement (MCAR) Reporting using regulatory-compliant methods. BCA has conducted individual and consolidated reporting industrial tests for positions at the end of June, September, and December 2023 in preparation for preparing the RWA Calculation Report for Market Risk in accordance with Financial Services Authority Circular Letter No. 23/SEOJK.03/2022 concerning Calculation of Risk-Weighted Assets for Market Risk for Commercial Banks.

### 3. Liquidity Risk

- a. BCA places a high priority on maintaining adequate liquidity in order to meet its obligations to customers and other parties, including providing credit, repaying customer deposits, and meeting operational liquidity needs. The overall liquidity needs management function is carried out by ALCO, and the Treasury Division operates it.
- b. Liquidity risk measurement and control is carried out through:
  - Fund progress report.
  - Monitoring liquidity reserves (secondary reserves) and liquidity ratios such as the Loan to Deposit Ratio (LDR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR).
  - Cash flow projections.
  - Periodic stress testing to assess the impact of extreme conditions on BCA's liquidity. In addition, BCA has a contingency funding plan in place to deal with these extreme conditions.
- c. BCA also maintains Rupiah and Foreign Currency liquidity (Statutory Minimum Reserve/SMR) in accordance with regulatory provisions on a daily and average basis for a specific reporting period, which consists of:
  - SMR and MIR Giro (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits with Bank Indonesia.
  - Foreign currency SMR in the form of foreign currency demand deposits with Bank Indonesia.
  - MLB (Macroprudential Liquidity Buffer) in the form of SBI, SDBI, SRBI, and SBN.

### 4. Operational Risk

- a. The goal of operational risk management is to minimize the potential negative impacts of insufficient and/or non-functioning internal processes, human error, system failure, and/or external events. Operational risk management is constantly being developed in order to adapt to the constantly changing business environment and minimize the risks that the bank faces.
- b. In accordance with regulatory provisions, BCA uses the Standardized Approach method to allocate capital to reserve losses from operational risks. Good and high-quality operational risk event data is required for calculating the capital burden for operational risk in accordance with the bank's operational loss exposure. As a result, BCA has established internal policies governing the input of loss data in order to meet the qualitative requirements outlined in Financial Services Authority Circular Letter No. 6/ SEOJK.03/2020, concerning Calculation of Risk-Weighted Assets for Operational Risk Using a Standard Approach for Commercial Banks.

- c. In order to assist in the management of operational risk, BCA has supporting infrastructure in the form of the Operational Risk Management Information System (ORMIS) application, which includes:
  - Risk Control Self Assessment (RCSA), which is used to instill risk management culture and increase risk awareness across all work units.
  - Loss Event Database (LED), which is used to record operational losses that are used in calculating capital charges, continuous monitoring of events that can cause operational losses for BCA, and analyzing the risks faced by the bank, so that necessary corrective/preventive actions can be taken to minimize/mitigate the risk of future operational losses.
  - Key risk indicator (KRI), which is a tool used to provide an early warning sign of the possibility of an increase in operational risk in a work unit. This KRI has also been further developed into Predictive Risk Management, which can help work units monitor risk exposure.
- d. To maintain cyber security, BCA has Cyber Security Risk Management, whose job it is to analyze, determine, and develop procedures and tools for cyber security risk management. Furthermore, BCA has an Information Technology Security Group that is responsible for implementing the principles of securing technology systems and supporting facilities, as well as developing preventive measures to protect and secure the company's information assets and information technology infrastructure from various technological crimes (cyber crime).
- e. To anticipate risks posed by natural or human disasters that could disrupt the bank's business operations, particularly customer service, BCA has established a Business Continuity Management and Business Continuity Plan (BCP) and regularly conducts BCP awareness outreach and testing of the BCP, which includes cyber incident simulation.

## 5. Legal Risk

- 1) Inherent legal risk is assessed by comparing potential losses from cases occurring at BCA and Subsidiaries that are currently in process or have been resolved in court to BCA capital and consolidated capital. The parameters used to calculate potential losses for cases currently in court are the basis of the lawsuit (case position), the value of the case, and legal documentation. Meanwhile, the parameters used to calculate claim losses are losses incurred by BCA and Subsidiary Companies as a result of court decisions with permanent legal force.
- 2) BCA has established a Legal Group (GHK) at Head Office and Legal Work Units in all Regional Offices to identify, measure, monitor, and control legal risks.
- 3) In order to mitigate legal risks, the Legal Group has done the following, among other things:
  - Develop a Legal Risk Management Policy, as well as internal provisions that govern the Legal Group's organizational structure and job descriptions, and standardize legal documents.
  - Holding a legal communication forum to improve legal staff competency.
  - Conduct socialization to related branch officials, Regional Offices, and Head Office work units on the impact of newly implemented regulations on BCA banking activities and various modes of operation of banking crimes, as well as guidelines for dealing with them legally.
  - Providing legal representation in civil and criminal cases involving BCA that are currently in court, as well as monitoring the progress of the cases.
  - Develop a credit security strategy plan in conjunction with bad credit problems (in collaboration with other work units, including the Credit Recovery Work Unit).
  - Register Intellectual Property Rights (IPR) on BCA products with the authorized

agency and secure ownership of BCA assets, including rights to BCA land and buildings, as well as monitor and take legal action for BCA IPR violations.

- Monitor and analyze current court cases involving BCA and its subsidiaries.
- Inventory, monitor, analyze, and calculate potential losses associated with legal cases that occur.

## **6. Reputational Risk**

- a. Reputation risk is assessed using parameters such as the number of complaints and negative publications, as well as complaint resolution achievement.
- b. Infrastructure development, which includes the implementation of appropriate software and hardware (including HaloBCA Telephone Service and 24-hour WhatsApp/WA Chat, BCA CRM Contact Center, Web Chat via [www.bca.co.id](http://www.bca.co.id), and the haloBCA application that can be used by mobile phones users with IOS and Android platforms), as well as the development of procedures and better work management to facilitate monitoring and management information systems that can support organizational quickness and quality.
- c. Regulatory provisions guide the implementation of reputation risk management.
- d. The parameters for assessing and implementing reputation risk management are evaluated on a regular basis.

## **7. Strategic Risk**

- a. Inherent strategic risk is assessed using parameters such as strategy suitability to business environmental conditions, high risk strategies, BCA's business position, and achievement of the Bank's Business Plan.
- b. The quality of strategic risk management implementation is assessed using parameters such as risk governance, risk management framework, risk management process, adequacy of the Management Information System and Human Resources, and risk control system adequacy.

## **8. Compliance Risk**

- a. Compliance risk is one type of risk that BCA must manage because it can result in both financial and non-financial losses.
- b. In accordance with Financial Services Authority Regulation No. 46/POJK.03/2017 dated July 12, 2017, concerning the Implementation of Compliance Functions for Commercial Banks, BCA has appointed a member of the Board of Directors as Director in Charge of Compliance, who is responsible for ensuring compliance and minimizing compliance risk by developing compliance risk management policies and procedures and monitoring their implementation. The Compliance Division (DCP), which is independent of operational work units, assists the Director in charge of the compliance function in carrying out its duties. The Compliance Director reports the results of the Compliance Director's supervision to the President Director on a quarterly basis, with a copy to the Board of Commissioners.
- c. The parameters used in assessing inherent compliance risk are the type and significance of violations committed, the frequency of violations committed or compliance track record, and violations of certain financial transaction provisions. Aside from that, DCP is in charge of implementing the Anti-Money Laundering, Counter-Terrorism Financing, and Prevention of Financing for the Proliferation of Weapons of Mass Destruction (AML, CTF, and PFPWMD) programs, including risk assessments for the AML, CFT, PFPWMD programs complies with all regulatory

requirements.

- d. BCA has compliance policies and procedures in place, including AML and CTF, which include, among other things, a process for constantly adapting internal provisions and systems to applicable regulations, communicating provisions to relevant workers, conducting reviews of new products/activities, conducting regular compliance tests, and worker training.
- e. BCA employs information technology, also known as Regulatory Technology (RegTech), to improve efficiency and effectiveness in the management of regulatory provisions.
- f. In order to support the bank's strategic positioning as a transactional bank, particularly in terms of preventing money laundering, terrorist financing, and financing for the proliferation of weapons of mass destruction, BCA has used a web-based application called STIM (Suspicious Transaction Identification Model), as well as conducting system development for applications using the latest technology and updating parameters to detect suspicious transactions.
- g. BCA also screens customer and transaction data in relation to the List of Suspected Terrorists and Terrorist Organizations (LSTTO) and the List of Financing for the Proliferation of Weapons of Mass Destruction (LFPWMD), which are published by the competent authorities when an account is opened and when BCA enters into business relations. Furthermore, if the list is changed, the filtering will be repeated.

#### **9. Intra-Group Transaction Risk**

- a. The inherent intra-group transaction risk is assessed using parameters such as the composition of intra-group transactions in the Financial Conglomerate, transaction documentation and fairness, and other information.
- b. The quality of intra-group transaction risk management implementation is assessed using parameters such as risk governance, risk management framework, risk management process, Management Information System, and Human Resources, as well as the adequacy of the risk control system.

#### **10. Insurance Risk**

- a. Inherent insurance risk is assessed using parameters such as technical risk, insurance risk dominance over the entire business line, product risk mix and benefit types, and reinsurance structure.
- b. The quality of insurance risk management implementation is evaluated using parameters such as risk governance, risk management framework, risk management process, Management Information System, and Human Resources, as well as the risk control system's adequacy.

#### **Results of the Risk Management System Effectiveness Review**

Based on the results of the self-assessment, BCA's risk profile rating in 2023 is "low to moderate" both individually and when integrated with Subsidiaries.

The risk profile rating is the result of an assessment of 10 (ten) types of risk with the risk level ratings listed below:

- a. Risks with a "low" risk rating include Market Risk, Liquidity Risk, Legal Risk, and Intra-Group Transaction Risk.
- b. Risks with a risk rating of "low to moderate" include credit risk, operational risk, reputation risk, strategic risk, compliance risk, and insurance risk.

This "low to moderate" risk profile rating is achievable because BCA and its Subsidiaries



have implemented an effective and efficient risk management process in all of their activities.

- a. BCA's inherent and integrated risk trends are stable because no significant changes in inherent risk are expected. Domestic demand and positive export performance, as well as Bank Indonesia's efforts to strengthen the policy mix response to maintain stability and encourage economic growth, will support Indonesia's economic growth in 2023. In light of these circumstances, BCA FC continues to strive to capitalize on momentum to maximize business performance while remaining mindful of global financial market uncertainty, which has the potential to disrupt the national economy and have an impact on BCA FC's business activities. As a result, BCA and BCA FC always manage risks in all business activities using the prudential principle
- b. The implementation of integrated risk management will continue to be of high quality. This is due to the BCA FC's establishment of an Integrated Risk Management Framework, which consists of strategy, organization, policies and procedures, as well as risk management infrastructure, and which continuously reviews risk management in all of its activities to ensure that all risks encountered by the BCA FC can be correctly identified, measured, monitored, controlled, and reported.

The risk management policies of BCA and its Subsidiaries are constantly updated in accordance with regulatory provisions, the direction of developments in implementing the most recent Basel, prudential banking principles, and international best practices. BCA FC is always mindful of the economic situation and conditions, as well as developments in banking and non-bank financial services institutions, when conducting business.

#### **Statement of the Board of Directors and the Board of Commissioners on the Adequacy and Effectiveness of the Risk Management System**

In 2023, BCA conducted an evaluation of the risk management system in which:

- The Board of Directors evaluates the effectiveness of the risk management system at BCA through regular reviews of risk management policies and procedures, the adequacy of the risk management information system, risk exposure reports, and assessments of BCA's risk profile and Integrated risk profile.
- The Board of Commissioners supervises and evaluates the implementation of the risk management system carried out by the Board of Directors, with assistance from the Risk Monitoring Committee

Based on the findings of the evaluation and supervision, the Board of Commissioners concludes that BCA's risk management system is adequate and effective.

#### **Internal Control System**

BCA Internal Control System is an ongoing monitoring mechanism which is established by the management and aligned with the BCA's objectives, size, and complexity. The implementation of BCA's Internal Control System is guided by Financial Services Authority Circular Letter No.35/SEOJK.03/2017 dated July 7, 2017, concerning the Standard Guidelines for Internal Control Systems for Commercial Banks.

#### **The objective of implementing of Internal Control System**

The objective of implementing an effective Internal Control System is to ensure:

- a. Compliance with laws and regulations as well as internal policies/provisions.
- b. Completeness, accuracy, efficiency, and timeliness of provision of the financial and

- management information.
- c. Effectiveness and efficiency of operational activities.
- d. Effectiveness of overall risk culture

Additionally, in order to support Financial Services Authority Regulation No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management for the Financial Conglomerates, BCA develops a comprehensive Internal Control System for implementation of integrated risk management that ensures:

- a. Compliance to internal policies or provisions, as well as applicable laws and regulations;
- b. Availability of complete, accurate, appropriate, and timely financial and management information; and
- c. The effectiveness of the risk culture throughout the Financial Conglomerate organization.

### **Internal Control System Framework**

BCA adopt the three lines model framework to achieve reliable risk management and governance. The implementation of three lines model at BCA is as follows:

#### **a. Governing Body**

The Board of Commissioners and its committees under their coordination are responsible to ensure:

- i. Appropriate structures and processes are in place for effective governance; and
- ii. Organizational objectives and activities are aligned with the prioritized interests of stakeholders.

#### **b. First and Second Line**

- i. The first line is responsible for the delivery of products and services to customer, including managing related risks.
- ii. The second line is to take on roles that help in risk management, including responsibility for enterprise risk management. The second line role is carried out by the Director of Compliance, Director of Risk Management, the Risk Management Division (MRK), the Compliance Division (DCP), and Operation Strategy and Development Group (GPOL).

#### **c. Third Line**

The Internal Audit Division (DAI) plays the third line role in increasing and protecting BCA's value by providing risk-based and objective assurance, advice, and insight, as well as acting as a strategic partner for management in building BCA into a leading bank in Indonesia by assessing the adequacy and effectiveness of processes, risk management framework, internal control and governance, and performance quality. The President Director, Board of Commissioners, and Audit Committee receive audit results reports from DAI.

In performing their roles, all lines communicate and collaborate on a regular basis and contribute to create and protect value that is aligned with the stakeholders' interest.

### **Components of the Internal Control System**

In accordance with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), BCA's Internal Control system consists of 5 (five) main components, which include:

#### **a. Oversight by Management and Control Culture**

According to their roles, the Board of Directors and the Board of Commissioners are in charge of fostering a culture of control. The role of the Board of Directors is to establish

structure and maintain an effective internal control system, as well as ensuring the security and reliability of the internal control system, among other by issuing the BCA's Internal Control System Standard Guidelines, policies, and operational procedures.

The Board of Commissioners has a role to oversight and assess the adequacy of internal control through committees under its coordination, such as the Audit Committee and Integrated Governance Committee. The Audit Committee assists the Board of Commissioners in carrying out oversight related to financial statements, internal control systems, implementation of internal and external audit functions, Good Corporate Governance (GCG), and compliance with applicable laws and regulations.

**b. Risk Identification and Assessment**

BCA has established an internal control mechanism embedded to each business unit, as a part of the Board of Directors' role in identifying, analyzing, and assessing the risks faced by BCA to ensure the targets set are met. This role is carried out by establishing a Risk Management Division (MRK), which assigned to ensure that BCA and its Subsidiaries are properly carried out risk mitigation in an integrated manner through identification, measurement, monitoring, controlling, and reporting risks in accordance with the risk management framework, and capable in dealing with emergency situations that might threaten BCA's business continuity.

BCA has conducted a thorough risk identification and assessment that includes credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, compliance risk, insurance risk, and intra-group transaction risk. Moreover, BCA consistently conducts Risk Control Self-Assessment (RCSA) to review the inherent risks from each business unit activities.

**c. Control Activities and Segregation of Duties**

Based on the established internal control framework and components, BCA implements internal control to ensure the adequacy of financial controls, operational effectiveness and efficiency, as well as compliance with applicable laws and regulations. In addition, the establishment of policies, manuals, and operational procedures becomes the guideline for task implementation and segregation of duties in each business unit in order to prevent error possibilities of each personnel while carrying out their duties.

Monitoring and reviewing of the implementation of the above duties and functions is carried out by the MRK and DAI as independent work units in the second and third lines. An Assessment Report by DAI on the adequacy and effectiveness of the risk management, internal control, and governance processes is presented to the Board of Directors, Board of Commissioners and the Audit Committee.

**d. Accounting, Information, and Communication Systems**

BCA has an adequate accounting, information, and communication system to identify potential problems. The System is also used as an information exchange to carry out task according to their responsibilities. The accounting system produces financial information that is accurate, precise and consistent because BCA has an accounting policy that are complied with applicable principles and regulations and are supported by an effective recording system and well-documented reconciliation process. The information system is continuously developed in line with developments in the Bank's business and technology as well as an effective communication system so that all BCA

employees understand and comply with applicable policies and procedures in carrying out their duties and responsibilities. BCA has also communicated with external parties, such as regulators and shareholders, and implemented a whistleblowing system.

BCA has conducted a review by an independent party to ensure that its information system can provide data and information related to business activities, financial conditions, the implementation of risk management, and compliance with regulations that are relevant, accurate, current, timely, and accessible to stakeholders and reported consistently to support the Board of Directors' and Board of Commissioners' duties

**e. Monitoring Activities and Corrective Action**

Monitoring and testing of the adequacy and effectiveness of the risk management, internal control, and governance framework processes is carried out by DAI as an independent work unit and reported to the Board of Directors, Board of Commissioners, and Audit Committee.

DAI takes on the role of monitoring and analyzing the adequacy of management follow-up on audit results and recommendations from DAI, external auditors, OJK, as well as other authorities. The result of the DAI's follow-up monitoring is reported to the Board of Directors, the Board of Commissioners and the Audit Committee on a quarterly basis. Changes to targets for the completion of follow-up significant audit results must be sought for approval from the President Director and the Board of Commissioners.

**The Implementation of Internal Control**

Based on the internal control framework and components, BCA implements internal control to ensure the adequacy of financial controls, operational effectiveness and efficiency, as well as compliance with applicable laws and regulations. In addition, the establishment of policies, manuals, and operational procedures as guideline for task implementation and segregation of duties in each business unit in order to prevent error possibilities of each personnel while carrying out their duties.

The implementation of internal control includes:

**a. Financial Control**

To ensure the successful implementation of strategic plan that supports BCA's development, BCA has applied the following:

- i. The Board of Directors has prepared and received approval from the Board of Commissioners on the strategic plan and Annual Work Plan and Budget (RKAT), which are stipulated in the Bank's Business Plan (RBB) as a blueprint for a 3 (three) year business strategy, which has been distributed to BCA management who relates to its implementation.
- ii. The strategy implemented has considered the impact of strategic risk to BCA's capital, including projected capital and the Minimum Capital Adequacy Requirement (KPMM).
- iii. The Board of Directors actively conducts discussions/provides input, as well as monitoring internal conditions and developments of external factors both directly or indirectly affect BCA's business strategy.
- iv. BCA implements financial control process in the Bank and member of BCA financial conglomerates, in order to periodically monitor BCA's performance achievements through the Corporate Strategy and Planning Division to improve the growth and performance of BCA and its Subsidiaries.
- v. BCA has ensured that all accounting policies and standards are periodically reviewed

in accordance with applicable rules and regulations.

#### **b. Operational Control**

In order to support overall operational risk control, BCA has implemented the following:

- i. Forming the BCA organizational structure, including:
  - 1) Segregation of duties to avoid conflict of interest.
  - 2) Supervisor whose function is to oversight the implementation of internal control.
  - 3) Internal supervision which functions to ensure the implementation of internal control in operational work units.
  - 4) DAI, which is independent of the risktaking unit, evaluates and assesses the adequacy and effectiveness of corporate governance, risk management, and internal control processes for BCA and member of the BCA financial conglomerate.
  - 5) MRK and DCP, which are independent to the risk-taking unit.
  - 6) Anti-Fraud Bureau to increase the effectiveness of the implementation of anti-fraud strategies for all company activities.
- ii. All BCA operational banking transaction activities are guided by standard operating procedure to ensure that operational risks have been properly mitigated.
- iii. Establish employee rotation policies.
- iv. Setting up limit of authority for officers to transact.
- v. Establish Information Security Policy, including: User ID access and password, physical security, etc.
- vi. Establishment of information security management system policies, standards, and procedures required to safeguard assets related to the implementation and use of IT.
- vii. Evaluate the results of the review and testing of the Disaster Recovery Plan.
- viii. Determination of policies and procedures regarding the use of IT service providers.

#### **c. Compliance with Applicable Laws and Regulations**

To ensure BCA's compliance with applicable laws and regulations, BCA has implemented the following:

- i. BCA is committed to comply with applicable laws and regulations and taking corrective action for any risk weaknesses that may occur.
- ii. BCA has established a DCP that is independent of the risk-taking unit and is responsible to monitor the compliance of BCA and its Subsidiaries in an integrated manner.
- iii. BCA has:
  - 1) Monitor Compliance Reporting to BI/ Financial Services Authority/other regulators.
  - 2) Submitted BCA Compliance Reports, including Anti-Money Laundering and Counter-Terrorism Financing Program Implementation Report to the Financial Services Authority every 6 (six) months.
  - 3) Submitted Compliance Monitoring Reports on BCA's Prudential Provisions, including Anti-Money Laundering and Counter-Terrorism Financing Program Implementation Report to the Board of Commissioners, President Director, and Deputy President Director quarterly.
- iv. The Compliance Risk Management Strategy is to have a policy to always comply with applicable regulations, namely proactively carrying out prevention (ex-ante) in order to minimize the occurrence of violations and taking curative action (ex-post) in the context of improvement.

### **Internal Control System Evaluation**

The Board of Directors is responsible for ensuring the implementation of an effective internal control system to achieve BCA's objectives. The Board of Commissioners, assisted by the Audit Committee and the Integrated Governance Committee, is in charge of overseeing the implementation of BCA's Internal Control System.

In order to evaluate the adequacy and effectiveness of the internal control system, in 2023 BCA has monitored and taken corrective actions as follows:

- a. BCA continuously evaluate and monitor the overall effectiveness of the implementation of internal control, including changes in internal and external factors that may affect BCA's ability to achieve its goals.
- b. Monitoring is prioritized on BCA's key risks and functions as part of daily activities, including periodic evaluations to detect and prevent the emerging risks, both by the operational and risk monitoring work unit as well as DAI.
- c. DAI evaluates the adequacy and effectiveness of the internal control system independently through the implementation of risk-based audit activities. The results of the evaluation and follow-up are reported to the Board of Commissioners, the Audit Committee, and the Board of Directors.

### **Board of Commissioners Statement on the Adequacy and Effectiveness of the Internal Control System**

Based on the review and discussions with the Audit Committee on evaluation reports submitted by the management, the Board of Commissioners considers that BCA's internal control system is adequate and operating effectively.

## **5. Provision Of Fund To Related Party And Large Exposure**

Pursuant to Financial Services Authority Regulation concerning Implementation of Governance for Commercial Banks, Bank must implement prudential principle in provision of fund to related parties (individuals or groups, including the Board of Directors, the Board of Commissioners, Executive Officers of the Bank, and other related parties) and provision of large exposure refers to Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks under the Transparency of the Implementation of Governance section. In providing funds to related parties and the provision of large funds, BCA always applies the precautionary principle and is carried out in accordance with applicable regulations.

### **Policy on the Provision of Large Exposure**

Provision of large exposure refers to the nominal provision of funds to 1 (one) borrower or 1 (one) group of borrowers other than Related Parties in the amount equal to or greater than 10% of the Bank's core capital (Tier 1). The provision of large exposure must be evaluated for feasibility in the same or more prudent manner as the provision of funds to general debtors. The terms and conditions for providing funds are consistent with BCA's credit terms and procedures.

### **Lending Policy for the Boards of Directors and the Board of Commissioners**

BCA already has lending policies for the Board of Directors and the Board of Commissioners, which are governed by:

1. Productive Credit Guidelines and Consumer Credit Guidelines;
2. Policy on Credit Approval Mechanisms for Related Parties; and
3. PT BCA Tbk's Policy on Basic Bank Credit (KDPB), published on October 23, 2020.

(Hereinafter referred as, “Policy of Providing Credit for Directors and the Board of Commissioners”).

The Board of Directors and Board of Commissioners Credit Loan Policy stipulates that credit loans to the Board of Directors and Board of Commissioners are granted on an arm’s length basis and in accordance with market interest rates.

### Implementation of the Provision of Funds to Related Parties in 2023

In 2023, BCA has implemented a policy of providing funds to related parties, a policy of providing large exposure, and a policy of providing loans to the Board of Directors and the Board of Commissioners in accordance with applicable regulations, which must comply with the following provisions:

1. Provision of funds to related parties and plans for granting credit to certain large debtors, must be decided by the credit officer and approved by the BCA’s Board of Commissioners independently.
2. Provision of funds to related parties must not conflict with the general lending terms and procedures in place and must continue to generate a reasonable profit for BCA.
3. The policy for determining credit terms for related parties, particularly the determination of lending rates and forms and types of collateral, adheres to BCA’s generally accepted credit provisions.

Routine reporting of LLL (Legal Lending Limit) to the Financial Services Authority/Bank Indonesia is done in a timely manner. Throughout 2023, there were no violations or defaults on LLL. Provision of Funds to Related Parties and to Main Individual and Group Debtors (Large Exposure) at BCA in 2023:

Fund Provision	Total	
	Debtor/Group	Nominal
To Related Parties	659	Rp 10,994,514,151,988.30
To Main Debtors:		
• Individual	50	Rp 217,404,952,550,794.00
• Group	30	Rp 310,603,945,426,699.00

## 6. Strategic Plan

The Board of Commissioners and the Board of Directors are always active in establishing communication and aligning views on BCA’s business strategy in the banking sector. The Board of Commissioners is responsible for directing, monitoring, and evaluating the implementation of BCA’s strategic policies and providing advice to the Board of Directors in accordance with the aims and objectives of BCA’s Articles of Association. The Board of Directors is responsible for the development process, implementation, including reviewing of BCA’s strategy to comply with internal policies and applicable regulations.

In 2023, the Board of Commissioners and the Board of Directors have reviewed, monitored, and supervised the implementation of BCA’s strategy through a Joint Meeting of the Board of Directors and the Board of Commissioners with an agenda regarding Strategic Plan involving related work units.

### Strategic Priorities for BCA and Projections for 2024

In general, BCA’s short to medium-term policy direction and strategic steps will refer to key strategic initiatives, namely:

**1) To strengthen the transaction banking franchise through payment settlement services**  
BCA consistently strengthens its payment settlement services as the main growth driver for current accounts and savings accounts (CASA).

In line with this, BCA continues to enhance its banking service features and capabilities by implementing various initiatives that are supported by reliable information technology infrastructure and system security.

A broader and more integrated payment ecosystem will be one of BCA's focuses. Customer base expansion will continue through the use of digital platforms for customer acquisitions (digital on-boarding) and collaboration with external ecosystems. As a hybrid bank, BCA continuously develops multi-channel network, including mobile banking, internet, branches, ATMs/CRMs, POS (point of sale), contact center, and other forms of digital collaboration. Discussion of multi-channel transaction banking developments is also available in the Board of Directors Report and Transaction Banking Section.

**2) BCA's loan disbursements**

BCA constantly explores new business opportunities through data optimization and deepening processes with existing customers, as well as exploring various industries and potential customers.

Amidst global uncertainty, loan disbursement to customers requires the disciplined application of prudence principles. This is performed, among other things, through loan diversification to mitigate loan concentration risks and proactive monitoring of loan quality. BCA also establishes adequate Allowance for Impairment Losses for credit to anticipate potential asset quality deterioration.

BCA continues to strengthen its loan infrastructure by leveraging technological advancements and building human resource capacity to expedite loan processing and debtor acquisition processes. A discussion of loan disbursement by segment is available in the Management Discussion and Analysis section under the Corporate Banking, Commercial & SME Banking, and Individual Banking sub-sections.

**3) Development of comprehensive solutions and services**

BCA continues its developments for comprehensive financial solutions. Together with subsidiaries, BCA offers and constantly develops a range of financial products and services, including vehicle financing (BCA Finance and BCA Multi Finance); sharia banking (BCA Syariah); brokerage and investment management services (BCA Sekuritas); insurance (BCA Insurance and BCA Life); remittances (BCA Finance Ltd); venture capital (PT Central Capital Ventura); and digital banking with a focus on the millennial segment (PT Bank Digital BCA). Taking into account the economic prospects and the strategic steps that have been outlined, BCA sets the following target for 2024:



Category	Target
Gross Domestic Product (GDP)	4.9% - 5.1%
Loan Growth	9% - 10%
CASA (Current Account and Saving Account) Growth	6% - 8%
Net Income Growth	7% - 8%
Net Interest Margin (NIM)	5.5% - 5.6%
Return on Asset (ROA)	3.4% - 3.6%
Return on Equity (ROE)	21% - 23%
CIR (Cost to Income Ratio)	34% - 35%
Cost of Credit (CoC)	0.3% - 0.4%

## 7. Transparency Of Financial And Non-Financial Conditions Undisclosed In Other Reports

BCA has policies and procedures in place for implementing financial and non-financial transparency, including referring to:

- a. Financial Services Authority Regulation No. 37/POJK.03/2019 concerning Transparency and Bank Report Publication.
- b. Financial Services Authority Regulation No. 29/POJK.04/2016 concerning Issuers' or Public Companies' Annual Reports.
- c. Financial Services Authority Regulation No. 14/POJK.04/2022 concerning Periodic Financial Report Submission for Issuers or Public Companies.
- d. Financial Services Authority Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of Issuers' or Public Companies' Annual Reports.

Information on BCA's financial and non-financial conditions has been stated clearly and transparently in several reports, both in print and on the BCA website, including the following:

### Financial Condition Transparency

BCA has prepared and presented reports on financial condition transparency in accordance with the procedures, types, and scope specified in the applicable Financial Services Authority Regulation provisions, and has submitted them on a monthly, quarterly, and annual basis, depending on the type of report.

#### 1. Annual Report

- a. Every year, BCA prepares and submits an Annual Report to the Financial Services Authority, shareholders, and other institutions as required or deemed necessary. The Annual Report contains the following information:
  - 1) An overview of key financial data, such as a share overview, Board of Commissioners reports, Board of Directors reports, company profiles, management analysis, and discussions regarding business and financial performance, corporate governance, corporate social responsibility, and sustainable finance.
  - 2) Annual Financial Statement audited by PA and PAF registered with the Financial Services Authority, prepared for 1 (one) financial year, and presented with a comparison of the previous 1 (one) financial year as well as the start of the previous comparative year.
  - 3) Statement of the Board of Commissioners and the Board of Directors' responsibility for the accuracy of the Annual Report's contents. This is stated on a statement sheet signed by all members of the Board of Commissioners and

the Board of Directors.

- b. The Annual Report is now available on the BCA website at [www.bca.co.id](http://www.bca.co.id).
- c. The audited Annual Financial Statement has been published on the BCA website, [www.bca.co.id](http://www.bca.co.id), as well as in Indonesian-language newspapers with widespread circulation in Indonesia.

## **2. Quarterly Publication Report**

- a. The Quarterly Published Reports have been announced in print media (Quarter II and Quarter IV) and on the BCA website, [www.bca.co.id](http://www.bca.co.id), including reporting the Quarterly Published Financial Reports to the Financial Services Authority or stakeholders in accordance with the applicable Financial Services Authority Regulation.
- b. Announcement of Quarterly Published Reports on the BCA website in the form of Quarterly Published Financial Statements and other reports maintained for at least the last 5 (five) financial years.
- c. Although not required, the announcement of the Quarterly Published Financial Statement in the form of the Consolidated Financial Statement of BCA and Subsidiaries in newspapers (Quarter II and Quarter IV) and the Financial Statement of the BCA Parent Entity in 1 (one) newspaper in the form of financial performance infographics is carried out. The newspaper used is an Indonesian-language printed daily newspaper with a wide circulation in the area where BCA's headquarters are located. The President Director and 1 (one) member of the BCA Board of Directors sign the Quarterly Published Financial Statement.

## **3. Monthly Publication Report**

- a. BCA has announced the Monthly Published Reports on the BCA website, [www.bca.co.id](http://www.bca.co.id), including reporting the Monthly Published Financial Statements to the Financial Services Authority in accordance with the applicable Financial Services Authority Regulation.
- b. Announcement of Monthly Published Reports on the BCA website in the form of Monthly Published Financial Statement maintained for at least the last 5 (five) financial years.

### **Non-Financial Condition Transparency**

BCA has prepared and presented reports on the transparency of non-financial conditions in accordance with the procedures, types, and scope specified in the applicable Financial Services Authority Regulation provisions, as well as providing and publishing other non-financial condition information, such as the following:

1. Transparently publish non-financial conditions to stakeholders, including Routine LLL Reporting to Financial Services Authority, corporate governance information through the BCA Governance Implementation Report, which is published on the BCA website, and information on other non-financial conditions that are also made transparent in Analyst Meetings, Press Conference, Public Expose and Non-Deal Road Show, and BCA website in accordance with applicable regulations.
2. Disclose ownership structure transparency in the Annual Report and on the BCA website.
3. Disclose important and relevant information or facts regarding events, happenings, or facts that may have an impact on stock exchange prices and/or the decisions of investors, potential investors, or other parties with an interest in such information or facts. BCA always submits information reports or material facts to the Indonesian Stock

Exchange and the BCA website.

4. In accordance with Financial Services Authority provisions regarding Transparency of Bank Product Information and Use of Customer Personal Data, BCA has published information regarding BCA products and/or services in a clear, accurate, and up-to-date manner. Customers can easily obtain this information, which is available in the form of leaflets, brochures, or other written forms at each BCA branch office in easily accessible locations, and/or electronic information provided via the service hotline/call center, the BCA website, and the company's official social accounts.
5. In accordance with Financial Services Authority provisions governing Customer Complaints and Banking Mediation, BCA provides and informs customers about procedures for customer complaints and dispute resolution, including through the BCA website, www.bca.co.id. In addition, BCA customer complaints are resolved through complaint facilities such as the BCA Branch Office or Halo BCA at 1500888, the Halo BCA application, or e-mail halobca@ bca.co.id.
6. Prepare internal reporting that is complete, accurate, and on time, backed up by an adequate management information system. BCA has a dependable BCA management information system that is backed up by competent human resources and an adequate IT security system capable of providing complete, accurate, and timely information to the Board of Directors to aid in BCA's business decision-making process.
7. Other information aimed at assisting with information disclosure, financial education, and community service.

#### **B. Ownership of the Board of Directors and Board of Commissioners which Amounting to 5% or More of Paid-Up Capital**

BCA policy in terms of reporting share ownership of members of the board of Directors refers to Financial Services Authority Regulation concerning the Implementation of Governance for Commercial Banks and Article 2 of Financial Services Authority Regulation No. 11/POJK.04/2017 concerning Report of Ownership or Any Changes in the Share Ownership of a Public Company.

**Table of Share Ownership of the Board of Directors Amounting to 5% or more as of December 31, 2023**

Name	Share Ownership of the Board of Directors Amounting to 5% or more at:			
	BCA	Other Banks	Non-bank financial Institution	Other Companies
Jahja Setiaatmadja	-	-	-	√
Gregory Hendra Lembong	-	-	-	√
Armand Wahyudi Hartono	-	-	-	√
Tan Ho Hien/Subur/Subur Tan	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Vera Eve Lim	-	-	-	-
Haryanto T. Budiman	-	-	-	-
Frengky Chandra Kusuma	-	-	-	-
John Kosasih	-	-	-	-
Antonius Widodo Mulyono	-	-	-	-

Note:  
√ own shares with an amount of 5% or more.

### Total BCA Share Ownership by the Board of Directors in 2023

The Board of Directors	Number of Shares Owned at the Beginning of the Year (as of January 1, 2023)	Number of Shares Owned at the End of the Year (as of December 31, 2023)
Jahja Setiaatmadja	39,811,090	32,818,853
Gregory Hendra Lembong	400,070	784,719
Armand Wahyudi Hartono	4,256,065	4,256,065
Tan Ho Hien/Subur/Subur Tan	13,993,334	11,351,057
Rudy Susanto	2,033,799	2,518,448
Lianawaty Suwono	1,771,908	2,021,880
Santoso	2,156,646	2,422,053
Vera Eve Lim	1,616,082	1,912,261
Haryanto T. Budiman	346,292	561,695
Frengky Chandra Kusuma	1,675,646	1,891,049
John Kosasih	221,765	504,861
Antonius Widodo Mulyono	0	130.780

### Table of the Board of Commissioners Share Ownership Amounting to 5% or more of Paid-Up Capital as of December 31, 2023

Name	The Board of Commissioners Share Ownership amounting to 5% or more of paid-up capital at:			
	BCA	Other Banks	Non-Bank Financial Institutions	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrillus Harinowo	-	-	-	√
Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

### Table of BCA Share Ownership Number by the Board of Commissioners in 2023

Name	Number of Ownership at Beginning of the Year (as of January 1, 2023)	Number of Ownership at the End of the Year (as of December 31, 2023)
Djohan Emir Setijoso	106,395,297	106,610,700
Tonny Kusnadi	6,907,197	7,087,982
Cyrillus Harinowo	N/A	N/A
Raden Pardede	N/A	N/A
Sumantri Slamet	N/A	N/A

## C. Affiliated Relationships

The definition of having affiliated relationships among members of the Board of Directors, the Board of Commissioners, and the Controlling Shareholders, either directly or indirectly are as follows:

- Financial relationship, in which the members of the Board of Directors and the Board of Commissioners receive income, financial assistance, and loan from:
  - other BCA's members of the Board of Directors and/or the Board of Commissioners;
  - company which its controlling shareholder is BCA's member of the Board of Directors and/or the Board of Commissioners; and/or
  - BCA's Controlling shareholder.
- Family relationship, either horizontally or vertically, until the second degree, with BCA's members of the Board of Directors, the Board of Commissioners, and BCA's Controlling Shareholders.

Majority of members of BCA's Board of Commissioners and Board of Directors do not have affiliated relationship, either financial relationship or family relationship among other members of Board of Commissioners, Board of Directors, and Controlling Shareholders. The disclosures are as follows.

## Affiliated Relationships of BCA's Board of Commissioners Members

Affiliated relationships of the members of the Board of Commissioners are shown in the table below:

Name	Position	Family Relationship With:						Financial Relationship With:					
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Ir. Djohan Emir Setijoso	President Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Tonny Kusnadi	Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Cyrillus Harinowo	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Raden Pardede	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Sumantri Slamet	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

## Affiliated Relationships of BCA's Board of Directors Members

Affiliated relationships of the members of the Board of Directors are shown in the table below:

Name	Position	Family Relationship With:						Financial Relationship With:					
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Jahja Setiaatmadja	President Director	-	√	-	√	-	√	-	√	-	√	-	√
Gregory Hendra Lembong	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Tan Ho Hien/ Subur atau Subur Tan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director (concurrently serving as Director in charge of the Compliance function)	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√
Haryanto T. Budiman	Director	-	√	-	√	-	√	-	√	-	√	-	√
Frengky Chandra Kusuma	Director	-	√	-	√	-	√	-	√	-	√	-	√
John Kosasih	Director	-	√	-	√	-	√	-	√	-	√	-	√
Antonius Widodo Mulyono	Director	-	√	-	√	-	√	-	√	-	√	-	√

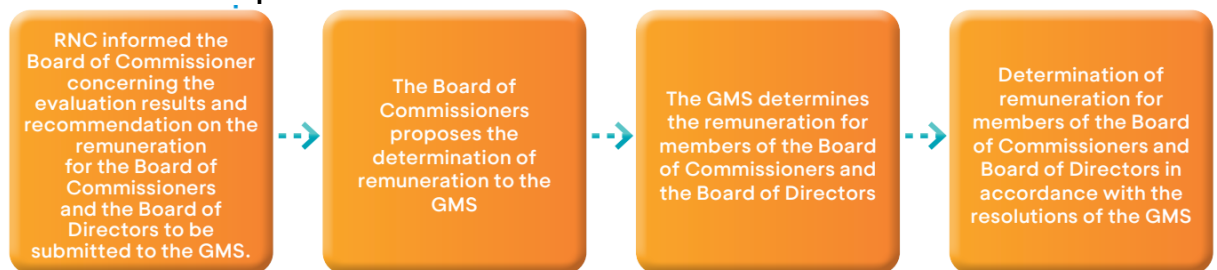
## D. Remuneration Policy

### 1. Procedures for Determining Remuneration for the Board of Commissioners and the Board of Directors

The remuneration for the Board of Commissioners and the Board of Directors of BCA is determined based on the procedures, structure, and indicators outlined in the Articles of Association of BCA and the Board of Commissioners' Decree No. 116/SK/KOM/2023 dated July 6, 2023 concerning Remuneration Policy for Board of Directors and Board of Commissioners, in accordance with the following provisions:

- a. Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in the provision of Remuneration for Commercial Banks.
- b. Financial Services Authority Regulation concerning the Implementation of Good Corporate Governance for Commercial Banks.
- c. Financial Services Authority Circular Letter No. 40/SEOJK.03/2016 concerning the Implementation of Governance in the Provision of Remuneration for Commercial Banks.

#### Remuneration Proposal and Determination Scheme



Based on the decision of the BCA Annual General Meeting of Shareholders in 2023, power and authority have been delegated to:

- a. The Board of Commissioners to determine the amount of salary and other benefits for members of the Board of Directors, considering the recommendations of the Remuneration and Nomination Committee (RNC);
- b. BCA's majority shareholders to determine the amount of salary and other benefits payable to members of the Board of Commissioners;
- c. BCA's majority shareholders to determine the distribution of tantiem to members of the BCA's Board of Commissioners and Board of Directors.

## 2. Remuneration for the Board of Directors

### The Board of Directors Remuneration Structure

The Board of Directors' remuneration package and facilities include the remuneration structure and details of the nominal amount, as shown in the table below:

Type of Remuneration and Facilities	Total Received in 1 (one) year			
	2023		2022	
	People	In million Rp	People	In million Rp
Salary, bonuses, regular allowances, tantiem and other facilities in non-natura form	12	686,380	12	504,547
Other facilities in form of natura (housing, health insurance, etc.) which:				
1. Entitled	-	-	-	-
2. Not entitled	-	-	-	-
<b>Total</b>	12	686,380	12	504,547

## 3. Remuneration for the Board of Commissioners

### Board of Commissioners Remuneration Structure

The Board of Commissioners' remuneration package and facilities include the remuneration structure and details of the nominal amount, as shown in the table below:

Type of Remuneration and Facilities	Total Received in 1 (one) year			
	2023		2022	
	People	In million Rp	People	In million Rp
Salary, bonuses, regular allowances, tantiem and other facilities in non-natura form	5	173,842	5	145,668
Other facilities in form of natura (housing, health insurance, etc.) which:				
1. Entitled	-	-	-	-
2. Not entitled	-	-	-	-
<b>Total</b>	5	173,842	5	145,668

## E. Shares Option

There are no share options received by the Board of Directors, Board of Commissioners and Executives Officers during 2023.

## F. Data on Salary and Severance Paid Ratio

Ratio of Highest and Lowest Salary, which includes:

Salary Ratio	2023	2022
The ratio of the employee' highest and lowest salary	26.89	26.39
The ratio of the Board of Directors' highest and lowest salary	2.85	2.85
The ratio of the Board of Commissioners' highest and lowest salary	1.52	1.52
The ratio of the Board of Directors' highest salary and the employees' highest salary	8.63	9.36
The ratio of the annual compensation of the President Director and the median/mean of the annual compensation of all employees (except the President Director)	115.88	110.98

## G. Meetings Of The Board Of Commissioners, The Board Of Directors, And Joint Meetings

### 1. Meeting of the Board of Directors

#### Meeting Policy

The Board of Directors Meeting Policy in the Board of Directors Charter and/or Articles of Association regulates, among other:

#### 1. Meeting Mechanism

Board of Directors meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.

#### 2. Meeting Frequency

- a. Board of Directors meetings must be held periodically, at least once a month or 12 (twelve) times per year.
- b. Each member of the Board of Directors must attend at least 75% (seventy-five percent) of the meetings in 1 (one) year.

#### 3. Meeting Summons

- a. Summons for the Board of Directors meeting is made by the Board of Directors Bureau via e-mail to all Directors no later than 5 (five) working days before the meeting is held (H-5).
- b. For Board of Directors meetings that have been scheduled or are based on the decisions of the previous Board of Directors meeting, there is no need to summon a meeting.
- c. For Board of Directors meetings that are held outside of a predetermined schedule, summons must be made no later than 1 (one) day before the Board of Directors meeting is held, or in a shorter time if it is urgent.
- d. The summons for the meeting must include the agenda (date, time, place, and topic) and attach meeting materials.
- e. The Board of Directors confirms attendance to the Board of Directors Bureau.

#### 4. Meeting Materials and Scheduling

- a. Prior to the end of the financial year, the Board of Directors must schedule a meeting of the Board of Directors, as well as a meeting of the Board of Commissioners with the Board of Directors for the following year and upload it on the BCA website.
- b. On a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).
- c. In the event that a meeting is held outside the schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.



5. Meeting Resolutions and Quorum
  - a. The meeting of the Board of Directors is valid and has the authority to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total number of members of the Board of Directors are present or represented at the meeting.
  - b. Every strategic policy and decision must be made at a Board of Directors meeting with due regard for supervision in accordance with the Board of Commissioners' duties and responsibilities.
  - c. Decisions-making at the Board of Directors meeting must be made first through deliberation for consensus.
  - d. Decisions are made based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach consensus.
  - e. The Board of Directors may also make valid decisions without summoning a meeting of the Board of Directors if all members of the Board of Directors have been notified in writing, have given their approval to the proposals submitted, and have signed the agreement. Decisions made in this manner have the same power as those made formally at a meeting of the Board of Directors.
  - f. All decisions made at Board of Directors meetings are binding and the responsibility of all Board of Directors members.
6. A member of the Board of Directors may only be represented by another member of the Board of Directors on the basis of a special power of attorney made for the purpose of the meeting, provided that it does not remove the right to vote for:
  - a. Meeting attendance quorum; and
  - b. The decision-making quorum is in accordance with the power given so their voting rights are counted in the meeting quorum.
7. Minutes of Meeting
  - a. The results of the Board of Directors meeting must be stated in the Minutes of Meeting, which are signed by all members of the Board of Directors present and submitted to all members of the Board of Directors.
  - b. Minutes of meetings of the Board of Directors must be properly documented in accordance with the provisions of the relevant regulations.
  - c. Dissenting opinions that occur at a Board of Directors meeting must be included in writing in the Minutes of Meeting, including reasons for the dissent.

### **Implementation**

Throughout 2023, the Board of Directors has organized 49 meetings of the Board of Directors, which were held in person and via teleconference. BCA has complied with the Financial Services Authority Regulation provision regarding the minimum frequency of the holding of Board of Directors meetings.

The frequency and attendance rate of members of the Board of Directors throughout 2023 are as follows:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	49	44	89%
Gregory Hendra Lembong	Deputy President Director	49	43	87%
Armand Wahyudi Hartono	Deputy President Director	49	39	79%
Tan Ho Hien/Subur/Subur Tan	Director	49	43	87%
Rudy Susanto	Director	49	43	87%
Lianawaty Suwono	Director (concurrently the Director in charge of the Compliance function)	49	40	81%
Santoso	Director	49	48	97%
Vera Eve Lim	Director	49	42	85%
Haryanto T. Budiman	Director	49	46	93%
Frengky Chandra Kusuma	Director	49	45	91%
John Kosasih	Director	49	46	93%
Antonius Widodo Mulyono	Director	49	45	91%

#### Board of Directors Meeting Schedule in 2024

BCA has scheduled the following Board of Directors meeting in 2024 as follows:

Month	Date
January	4,9,11,18,23
February	1,13,15,22,27,29
March	7,14,21,26,28
April	4,18,23,25
May	2,14,16,21,28,30
June	6,11,13,20,25,27
July	4,9,11,18,23,25
August	1,8,13,15,22,27,29
September	5,10,12,19,24,26
October	3,8,10,17,22,24,31
November	7,12,14,21,26,28
December	5,10,12,19,24,26

The Board of Directors meeting schedule may change at any time as needed.

The plan for the Board of Directors meeting schedule for 2024 has been published on the BCA website since December 2023 and can be accessed at: <https://www.bca.co.id/en/tentang-bca/tatakelola/struktur-organisasi>.

## **2. Meeting of the Board of Commissioners**

### **Meeting Policy**

The Board of Commissioners Meeting Policy, which is outlined in the Board of Commissioners Charter and/or Articles of Association, governs, among other things:

#### **1. Meeting Mechanism**

Board of Commissioners meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.

#### **2. Meeting Frequency:**

- a. Board of Commissioners meetings must be held periodically at least once every 2 (two) months or 6 (six) times per year.
- b. Each member of the Board of Commissioners must attend at least 75 % (seventy-five percent) of the meetings in 1 (one) year

#### **3. Meeting Summons**

- a. There is no need to summon a meeting for meetings of the Board of Commissioners that have been scheduled or are based on the decision of the previous meeting of the Board of Commissioners.
- b. For Board of Commissioners meetings held outside of the predetermined schedule, the summons must be made no later than 1 (one) day before the meeting, or in a shorter time if it is urgent.
- c. The summon for a meeting of the Board of Commissioners must include the agenda/ topic, date, time, mechanism and place of the meeting and attach meeting materials.
- d. The summons for Board of Commissioners meetings must be made in writing and delivered to each member of the Board of Commissioners via registered mail, courier service, electronic mail (e-mail), or other means deemed effective by the Board of Commissioners.

#### **4. Meeting Materials and Scheduling**

- a. Prior to the end of the financial year, the Board of Commissioners must schedule a meeting of the Board of Commissioners as well as a meeting with the Board of Directors by inviting the Board of Directors for the following year and upload it on the BCA website.
- b. At a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).
- c. In the event that a meeting is held outside the schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.

#### **5. Meeting Resolutions and Quorum**

- a. The meeting of the Board of Commissioners is valid and has the authority to make binding decisions if more than ½ (onehalf) of the total number of members of the Board of Commissioners are present or represented at the meeting.
- b. Decision-making at the Board of Directors meeting must be made first through deliberation for consensus.
- c. Decisions are made based on the affirmative votes of more than ½ (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach a consensus.
- d. The Board of Commissioners may also make valid decisions without summoning a meeting of the Board of Commissioners if all members of the Board of Commissioners have been notified in writing, have given their approval to the proposals submitted, and have signed the agreement. Decisions made in this manner have the same power as those made formally at a meeting of the Board of Commissioners.
- e. All decisions made at Board of Commissioners meetings are binding and the

responsibility of all Board of Commissioners members.

6. A member of the Board of Commissioners may only be represented by another member of the Board of Commissioners on the basis of a special power of attorney drawn up specifically for the purpose of the meeting.
7. Board of Commissioners Minutes of Meeting
  - a. The minutes of the Board of Commissioners meeting must include the results of the meeting, which must be signed by all members of the Board of Commissioners present
  - b. Minutes of Meeting must be properly documented in accordance with applicable regulations.
  - c. In the event of a dissenting opinion is expressed, it must be clearly stated in the minutes of the Board of Commissioners meeting, including the reasons for the dissent.

### Implementation

Throughout 2023, BCA has held 44 Board of Commissioners meetings both in person and via teleconference. BCA has complied with the Financial Services Authority Regulation provision regarding the minimum frequency of Board of Commissioners meetings.

### Frequency of Attendance, Schedule, and Meeting Agenda of the Board of Commissioners throughout 2023:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	44	42	95%
Tonny Kusnadi	Commissioner	44	44	100%
Cyrellus Harinowo	Independent Commissioner	44	42	95%
Raden Pardede	Independent Commissioner	44	42	95%
Sumantri Slamet	Independent Commissioner	44	44	100%

### Board of Commissioners Meeting Schedule for 2024

BCA has scheduled the following Board of Commissioners meetings in 2024:

Month	Date
January	10, 17, 24, 31
February	7, 28
March	6, 13, 20, 27
April	3, 24
May	8, 15, 22, 29
June	5, 12, 19, 26
July	3, 10, 17, 24
August	7, 14, 21, 28
September	4, 11, 18, 25
October	2, 9, 16, 23, 30
November	6, 13, 20, 27
December	4, 11

The Board of Commissioners' meeting schedule is subject to change at any time as needed. The plan for the 2024 Board of Commissioners' meeting schedule has been published on the BCA website since December 2023 and can be accessed at <https://www.bca.co.id/en/tentang-bca/tatakelola/struktur-organisasi>.

### **3. Joint Meeting of the Board of Commissioners and the Board of Directors**

The Joint Meeting Policy is contained in the Board of Directors Charter and the Board of Commissioner Charter as well as Articles of Association. The policy regulates, among other:

#### **1. Meeting Policy**

Joint meetings can be held in person or virtually via teleconference media, video conferences, or other forms of electronic media.

#### **2. Meeting Frequency**

The Board of Directors and the Board of Commissioner must hold regular joint meeting at least once every 4 (four) months.

#### **3. Meeting Summons**

- a. For joint meetings that have been scheduled or are based on the decisions of the previous joint meeting, there is no need to summon a meeting.
- b. For meetings that are held outside of a predetermined schedule, summons must be made no later than 1 (one) day before the joint meeting is held, or in a shorter time if it is urgent.
- c. The summons for the meeting must include the agenda (date, time, place, and topic) and attach meeting materials.
- d. The summons for the meetings must be made in writing and delivered to the meeting participants via registered mail, courier service, electronic mail (e-mail), or other means deemed effective.

#### **4. Meeting Materials and Scheduling**

- a. Prior to the end of the financial year, the Board of Commissioners and the Board of Directors must schedule a joint meeting for the following year.
- b. At a scheduled meeting, meeting materials are distributed to participants no later than 5 (five) working days before the meeting is held (H-5).

#### **5. Meeting Resolutions and Quorum**

- a. The meeting is deemed valid and has the authority to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total number of members of the Board of Commissioners and members of the Board of Directors are present or represented at the meeting.
- b. Decisions-making at the joint meeting must be made first through deliberation for consensus.
- c. Decisions are made based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total valid votes cast at the meeting in question if the deliberations do not reach a consensus.
- d. All decisions made at joint meetings are binding.

#### **6. A member of the Board of Directors may only be represented by another member of the Board of Directors and a member of the Board of Commissioners may only be represented by another member of the Board of Commissioner on the basis of a special power of attorney made for the purpose of the meeting.**

#### **7. Minutes of Meeting**

- a. The results of the meeting must be stated in the Minutes of Meeting, which are signed by all members of the Board of Directors and members of the Board of Commissioners present and submitted to all members of the Board of Directors and members of the Board of Commissioners.

- b. Dissenting opinions that occur at the meeting must be clearly stated in the Minutes of Meeting including reasons for the dissent.

### Implementation

Throughout 2023, the Board of Commissioners and the Board of Directors have organized 6 (six) joint meetings, which were held in person and via teleconference.

### Frequency of Attendance of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors throughout 2023:

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioners	6	6	100%
Tonny Kusnadi	Commissioners	6	6	100%
Cyrellus Harinowo	Independent Commissioners	6	6	100%
Raden Pardede	Independent Commissioners	6	6	100%
Sumantri Slamet	Independent Commissioners	6	6	100%

### Frequency of Attendance of the Board of Directors in Joint Meetings of the Board of Commissioners and the Board of Directors throughout 2023:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	6	6	100%
Gregory Hendra Lembong	Deputy President Director	6	6	100%
Armand Wahyudi Hartono	Deputy President Director	6	6	100%
Tan Ho Hien/Subur/ Subur Tan	Director	6	6	100%
Rudy Susanto	Director	6	5	83%
Lianawaty Suwono	Director (concurrently the Director in charge of compliance function)	6	6	100%
Santoso	Director	6	6	100%
Vera Eve Lim	Director	6	6	100%
Haryanto T. Budiman	Director	6	6	100%
Frengky Chandra Kusuma	Director	6	6	100%
John Kosasih	Director	6	6	100%
Antonius Widodo Mulyono	Director	6	6	100%

### Joint Meetings Schedule of the Board of Commissioners and the Board of Directors in 2024

BCA has scheduled the following joint meeting of the Board of Commissioners and Board of Directors in 2024:

Month	Date
January	11
April	18
July	11, (25 and 26)
October	(3,4,11), 10

The Board of Commissioners and the Board of Directors joint meeting schedule may change at any time as needed.

The plan for the Board of Directors and the Board of commissioners joint meeting schedule for 2024 has been published on the BCA website since December 2023 and can be accessed at: <https://www.bca.co.id/en/tentangbca/tata-kelola/struktur-organisasi>.

## H. Internal Fraud Violations Data in 2023

Disclosure of deviations (internal fraud) is carried out based on Financial Services Authority Regulation concerning the Implementation of Governance for Commercial Banks and Chapter IX No. 5 Financial Services Authority Circular Letter No.13/ SEOJK.03/2017 concerning the implementation of governance for commercial banks, whereby the report consists of forms of deviation (internal fraud), namely fraud committed by members of the Board of Directors, members of the Board of Commissioners, permanent employees, temporary employees (honorary), and/or outsourced workers. The disclosed deviation refers to deviations of more than Rp100,000,000.00 (one hundred million rupiah).

Table of Data on Fraud Violations Committed by Management, Permanent and Non-Permanent Employees

Deviation in 1 year	Member of the Board of Directors and members of the Board of Commissioners		Permanent Employee		Non-permanent employee and outsourced workers	
	2023	2022	2023	2022	2023	2022
Total Fraud	-	-	2	2	4	1
Resolved	-	-	-	1	-	1
In the process of being resolved internally at BCA	-	-	-	-	-	-
Yet to be resolved	-	-	-	-	-	-
Has been followed up through the legal process	-	-	2	1	4	-

## I. Legal Cases

Legal issues covering criminal cases and civil cases faced by BCA throughout 2023, 2022, and 2021 are described as follows

### 1. Criminal Law Cases

The following are the details of criminal law cases faced by BCA in 2023, 2022, and 2021:

Legal Issues in Criminal Cases	2023	2022	2021
Legally settled (a verdict has been issued with legal power)	13	6	6
In settlement process	4	7	4
<b>Total</b>	<b>17</b>	<b>13</b>	<b>10</b>

Throughout 2023, criminal cases in court involving BCA reports against customers, employees, or other third parties include allegations of criminal acts of theft, embezzlement, embezzlement in office, embezzlement of fiduciary collateral, fraud, forgery of letters, money counterfeiting, and money-laundering, where no case has a material loss value of more than Rp1 billion.

Meanwhile, there were no criminal cases in court involving reports from customers, employees, or other third parties against BCA.

## 2. Civil Law Cases

The following are the details of civil law cases faced by BCA in 2023, 2022, and 2021:

Legal Issues in Civil Cases	2023	2022	2021
Legally settled (a verdict has been issued with legal power)	155	160	92
In settlement process	219	186	148
<b>Total</b>	<b>374</b>	<b>346</b>	<b>240</b>

BCA was involved in civil cases as a result of the following:

- 1) Lawsuit related to the account by the customer's heirs.
- 2) Customer lawsuit/resistance related to account confiscation/blocking carried out by BCA at the request of the Court, Tax Office and/or other third parties.
- 3) Lawsuits from customers/other third parties related to payment transactions, transfers, balances, and disbursement of account and/or securities.
- 4) Customer lawsuit related to account fraud.
- 5) Lawsuits related to the use and payment of credit card bills.
- 6) A third-party lawsuit related to land/office building disputes owned by BCA.
- 7) Lawsuits related to legal entity accounts in connection with disputes over the management of legal entities and/or associations.
- 8) BCA lawsuit/resistance related to compensation payment and account blocking.
- 9) Lawsuit/rebuttal from debtors (husband/wife), collateral owners, and/or other parties related to confiscation of execution, auction, and/or emptying of collateral.
- 10) Lawsuit/rebuttal from debtors (husband/wife) and/or third parties related to credit and/or collateral.
- 11) Application of PKPU/Bankruptcy requests submitted by BCA against bad debtors.

Throughout 2023, BCA did not face significant risks from existing legal issues because according to the results of the self-assessment, the level of legal risk for BCA is in the "low" range.

## 3. Legal Cases Faced by the Subsidiaries

The following are the details of civil and criminal legal cases that Subsidiaries faced in 2023:

Subsidiaries	Lawsuit	Civil	Criminal
PT BCA Finance	Legally settled (a verdict has been issued with legal power)	54	0
	In settlement process	30	0
PT BCA Multi Finance	Legally settled (a verdict has been issued with legal power)	4	6
	In settlement process	5	1
BCA Finance Ltd	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT BCA Syariah	Legally settled (a verdict has been issued with legal power)	5	0
	In settlement process	15	0
PT Asuransi Umum BCA	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Asuransi Jiwa BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	2	0
PT BCA Sekuritas	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Central Capital Ventura	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Bank Digital BCA	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0



## **Important Cases & Administrative Sanctions**

### **1. Significant Cases Facing Members of the Board of Directors and Members of the Board of Commissioners of BCA**

Throughout 2023, all current members of the Board of Directors and members of the Board of Commissioners have never been involved in or implicated in any significant criminal or civil cases.

### **2. Significant Cases Facing Members of Board of Directors and Board of Commissioners of Subsidiaries**

Throughout 2023, all current members of the Board of Directors and members of the Board of Commissioners of Subsidiaries have never been involved in any significant criminal or civil cases.

#### **Impact of Legal Issues on BCA and Subsidiaries**

All legal issues encountered by BCA and its Subsidiaries throughout 2023 have no material impact on BCA's and its Subsidiaries' position or business continuity.

### **3. Administrative Sanctions from Related Authorities**

Throughout 2023, BCA, all members of the Board of Directors and/or members of the Board of Commissioners have never received administrative sanctions, both material and non-material, from the Financial Services Authority or other regulators, which could affect BCA's business continuity.

## **J. Conflict of Interest Transactions**

### **Policy on Conflicts of Interest**

In accordance with BCA's code of ethics, the decision-making process is not influenced by other parties or any conflict of interest. Decision-making outcomes and existing conflicts of interest must be recorded and documented as evidence.

BCA's Policy on Conflicts of Interest is stated in Directors' Decree No. 219/SK/DIR/2003 dated November 10, 2003 concerning Conflicts of Interest Provision, which regulates that all levels of BCA must be aware of and avoid activities that may give rise to or cause conflicts of interest. BCA requires all employees in echelon 5 and above to digitally sign an Annual Disclosure form in order to manage potential conflicts of interest.

In relation to Integrated Governance, the Board of Directors of BCA also ensures that the implementation of intragroup transaction risk management within the Financial Conglomeration is free from conflicts of interest among individual Financial Services Institutions.

### **Conflict of Interest Policy for the Board of Commissioners and the Board of Directors**

Provisions related to conflicts of interest for the Board of Commissioners and the Board of Directors are regulated in the Corporate Governance Guidelines, which govern the following matters among others:

- a. Members of the Board of Commissioners and/or members of the Board of Directors who have a conflict of interest are prohibited from making decisions, and/or actions, and/or being involved in the process of carrying out transactions that may harm BCA or reduce

BCA's profit and must disclose the condition of the conflict of interest related to each decision.

- b. Members of the Board of Directors are not authorized to represent BCA in matters or transactions in which the member has a conflict of interest with BCA.

#### **Compliance of Transactions Containing Conflicts of Interest with Applicable Policies**

Throughout 2023, members of the Board of Commissioners and members of the Board of Directors of BCA have managed the potential for conflicts of interest as stipulated in the applicable provisions, including recusing oneself from decisions in the case of a conflict of interest.

#### **K. Shares Buyback**

Buying back shares or bonds is an effort to reduce the number of shares or bonds issued by BCA by buying back the shares or bonds, with payment procedures carried out in accordance with applicable regulations. In 2023, BCA does not buy back BCA shares or bonds.

#### **L. Funding Social Activities**

As a form of corporate social responsibility, BCA actively contributes to improving community welfare and environmental conditions through the "Bakti BCA" activity program.

The Bakti BCA activity program is built around 3 (three) major pillars:

- BCA Smart Solutions,
- BCA Synergy Solutions, and
- BCA Superior Business Solutions.

Selain program-program tersebut, BCA turut berpartisipasi dalam pemberian sumbangan atau donasi kepada lembaga sosial.

#### **M. Funding Political Activities**

BCA has the commitment to not provide funds for political activities in 2023 or previous years. Here are the following details of BCA's contributions and others spending:

Item	2023	2022	2021
Lobbying, interest representation or similar	0	0	0
Local, regional or national political campaigns/organizations/candidates	0	0	0
Other (e.g. spending related to ballot measures or referendums)	0	0	0
Total contributions and other spending	0	0	0

Note:  
Expressed in Rupiah units

**2. Self-Assessment Report Implementation of GCG year 2023 in accordance with The Attachment IV Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017**

Name : PT Bank Central Asia Tbk  
 Position : December 31, 2023

**Self-Assessment Results of the Implementation of Good Corporate Governance Individually**

	Rating	Rating Definition
Semester I	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.
Semester II	1	BCA management has generally implemented <b>very good</b> governance. This result is reflected in the adequate fulfillment of the Governance principles. If there are weaknesses in the application of the principles of Governance, in general, these weaknesses are not significant and can be resolved by normal actions by BCA management.

Based on the self-assessment analysis of the aspects of governance structure, governance process, and governance outcomes for each of the Good Governance Implementation Assessment Factors, it can be concluded as follows:

1. The governance structure as per all the Governance Implementation Assessment Factors is complete and very adequate.
2. The governance process aspect in all of the GCG Implementation Assessment Factors is effective, supported by very adequate governance structure and infrastructure.
3. The governance outcome aspect in most of the GCG Implementation Assessment Factors is of high quality resulting from an effective governance process supported by very adequate governance structure and infrastructure.

### 3. Improvement in the quality of governance that has been carried out by BCA throughout 2023

Throughout 2023, BCA made various efforts to improve quality and strengthen the implementation of Good Corporate Governance (GCG) while considering developments in relevant regulations.

#### 1. Development of and/or Improvement

- Affiliated Transaction and Conflict of Interest Transaction Policy
- Integrated Governance Committee Charter
- Remuneration and Nomination Committee Charter
- Risk Monitoring Committee Charter
- ALCO Charter
- Risk Management Committee Charter
- Integrated Risk Management Committee Charter
- Credit Committee Charter
- Credit Policy Committee Charter
- Information Technology Steering Committee Charter
- Personnel Case Advisory Committee Charter

#### 2. Socialization

- Create socialization videos for BCA employees which are broadcast on social media and internal digital publication media regarding:
  - Stock Split
  - Capital Market Supporting Institutions and Professions
  - Securities Administration Bureau
  - Board of Commissioners Committee
- Organizing a Group Discussion Forum with Subsidiary Companies, with the topic:
  - Transaction Cooperation Policy with Related Parties or Affiliated Parties
  - Special List
  - Arm's Length Transaction
  - General Guidelines for Corporate Governance
- GCG Series, which BCA Personnel can access via the MyBCA Portal (Internal Portal)

#### 3. Improvement

- Affiliated Transaction Reporting System
- Robotic Process Automation (RPA) enhancement to increase data accuracy for ANTASENA OJK reporting
- GCG implementation in accordance with the ACGS criteria, namely updating the BCA Corporate Governance section of the website regularly
- Digitalization of work unit reminders for coordination reports related to GCG, affiliate transactions, etc
- Automation of reminders for management meeting attendance levels
- Digitalization of the GMS and Dividend Calendar

# Unleashing Potential, Delivering Value

**2023** ANNUAL REPORT



Always by your side

**PT Bank Central Asia Tbk  
Head Office**

Menara BCA, Grand Indonesia  
Jl. MH Thamrin No. 1,  
Jakarta 10310

Tel. : 62 21 235 88000  
Fak. : 62 21 235 88300

[www.bca.co.id](http://www.bca.co.id)



Hubo BCA  
1000088



Email  
[info@bca.co.id](mailto:info@bca.co.id)



Twitter  
@BankBCA



Bank BCA  
08111500999