

Management Report



Report of the Board of Directors



Jahja Setiaatmadja
President Director

“

BCA continued to deepen and diversify its customer base in order to drive sustainable growth

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Dear Shareholders,

We are pleased to report that BCA has once again demonstrated strong business and financial performance in a year marked by moderate economic growth and increasing competition. Profit attributable to shareholders rose by 12.7% to Rp54.8 trillion in 2024, with Return on Assets (ROA) and Return on Equity (ROE) improving to 3.9% and 24.6%, respectively, compared to 3.6% and 23.5% in the previous year.

While volatile global condition and the outcome of US election affected emerging countries, the Indonesian economy demonstrated resilience, sustaining growth at 5.0% accompanied by similar rise in domestic consumption despite

the decline in purchasing power particularly among lower-income households. Foreign and Domestic Direct Investment boosted economic activities as the Government's downstreaming efforts attracted fund inflows into the country and created new lending opportunities in the banking sector. Banking sector loan growth remained strong above 10% level in 2024. Public projects drove economic growth with significant spending in infrastructure, social aids, and fund distribution to provinces. We appreciate Regulator's efforts to focus on macro stability, implementing prudent monetary measures to stabilise rupiah exchange rate and withstand volatile global capital flows.

Against this backdrop, the Bank successfully achieved sound operating income performance, driven by broad-based loan growth that surpassed industry performance. BCA's strong loan expansion was accompanied by stable cost-of-funds in a high interest rate environment. BCA's reliable transaction franchise – bolstered by customers' trust in BCA as their preferred bank – provided low cost CASA funds. BCA's strong brand equity underscored its strength in securing sound liquidity position and overcoming pricing competition for deposits.

This superior operating income performance was accompanied by improved credit quality, as evident through a lower Loan at Risk (LAR) ratio, leading to manageable credit provisioning expenses. These achievements enabled BCA to meet and surpass most of its targets for key financial metrics, as highlighted below.

BCA Performance Highlights in 2024

| Financial Metrics | 2024 Target | Realization |
|----------------------------|-------------|-------------|
| Loan Growth | 9% - 10% | 13.8% |
| CASA Growth | 6% - 8% | 4.4% |
| Net Interest Margin (NIM) | 5.5% - 5.6% | 5.8% |
| Cost to Income Ratio (CIR) | 34% - 35% | 31.5% |
| Return on Asset (ROA) | 3.4% - 3.6% | 3.9% |
| Return on Equity (ROE) | 21% - 23% | 24.6% |

Strategic Priorities and Initiatives

Achieving sound financial results in a dynamic market environment is a function of customer trust, which remains BCA's most valuable asset. Over the years, BCA has established a reputable and competitive brand. Newsweek recognized BCA as the World's Most Trustworthy Company in banking for 2023 and 2024.

The company remains committed to maintaining and enhancing that trust through service excellence and the delivery of reliable, comprehensive products and services to customers. This approach has led to a doubling of our customer base over the past five years to 33.1 million as of December 2024. In 2024, we therefore continued to focus on customer-oriented strategic priorities, as outlined below:

Constantly deliver service excellence & serving beyond current offerings

BCA has established a significant customer base, with transaction banking services playing a pivotal role in its growth and serving as a primary source of CASA funding. The Bank prioritizes service excellence and reliability across its transaction channels. All channels performed well with minimal downtime throughout the year, exceeding the target level of "Always On at 99.8%". This commitment is reflected in the large number of transactions processed, reaching 98 million transactions per day in 2024, representing a growth of 21% compared to the previous year.

To deliver an outstanding customer experience, BCA must anticipate customer needs beyond its current offerings. This begins with a comprehensive understanding of customers, derived from the analysis of their behavior.

On this regard, our mobile channels are continually enhanced. User experience (UX) and user interface (UI) design have been extensively refined and tested to ensure the channels are intuitive, secure, and convenient to use for customers. In 2024, we rolled out features such as multi-currency pockets supporting 16 foreign currencies, overseas access, and a digital token replacing the physical KeyBCA token for financial transactions.

Enhancements to the online wealth management service under 'Welma' resulted in higher overall investment product transactions, up 26% YoY. This app's enhancement was accompanied by product expansion, with 16 new investment & bancassurance products launched throughout 2024. Combined online and offline efforts led to a 35% YoY growth in total Investments Assets under Management (AUM). This growth surpassed industry trends and reflects our customers' growing confidence in BCA as their preferred investment partner.

To better serve merchants, BCA enhanced the BCA Merchant App, improving service levels for new merchant acquisition and QR code settlement times. BCA's extensive merchant point-of-sale (POS) network, one of the largest in Indonesia, offers diverse payment options to over

33 million BCA customers, including QR code, debit and credit cards, and contactless payment options. In 2024, 65% of new merchant registrations were completed digitally through the app, making the onboarding process faster and more accessible. The app also provides tools for real-time sales monitoring, store management, and streamlined communication with BCA for inquiries or complaints. These improvements have contributed to transaction growth, reinforcing BCA's role as a trusted partner in Indonesia's business environment. Notably, QR Code transaction frequency increased by 170% YoY in 2024.

Meeting customer needs in Indonesia's hybrid society and expanding the ecosystem

BCA retains its strong presence as a hybrid bank to serve a wide array of customer base, operating integrated multi channels to facilitate large transaction volumes across online and offline ecosystem. The Bank investing in various digital touch points was accompanied by selective branch expansion.

Digital transactions drove most of transaction growth. The volume of mobile and internet transactions rose by 23.5% to reach 31.6 billion, accounting for 87.8% of the total transaction volume. Additionally, the number of mobile banking users reached 30.8 million users. Digital customer transactions are powered by two distinct mobile banking apps, BCA Mobile and myBCA. BCA Mobile continues to command loyal users particularly among the older generation, while myBCA offers more comprehensive features to meet the demands of the younger generation. Online mobile banking transactions per user increased by 25% YoY across both apps, demonstrating strong customer adoption. We are pleased to report that the myBCA app has continued to gain fast acceptance in the market, with a nearly 3 times in the number of users compared to a year ago. BCA's online business banking platform and merchant transactions also experienced strong growth, contributing to overall digital transaction volumes and supporting the expansion of BCA's ecosystem.

Despite the prevalence of digital channels, BCA's physical network remains crucial. While many other banks have reduced their physical presence, BCA continues to maintain and strategically expand its ATM and branch network to accommodate cash transactions, as cash in circulation in the economy increased by 9.3% YoY in 2024. As of December 2024, BCA operated 1,264 branch offices and outlets, as well as mobile branches and units that can be deployed as needed to serve our growing customer base.

Branch offices serve as essential contact points for building and maintaining relationships. This approach is particularly relevant for serving business customers and upper class individual customers. These customers receive dedicated relationship managers and priority assistance. To ensure quality in-person service, BCA invests in continuous training and recognizes exceptional branch staff performance, promoting a culture of service excellence throughout the branch network.

Equally significant, BCA offers comprehensive 24/7 contact center support on multiple platforms, including WhatsApp, web chat, email, X (formerly Twitter), and the Halo BCA app. On average, BCA handles over 107,000 contacts daily across these platforms, providing customer support and acquiring new customers.

Through multiple channels, BCA has been able to amplify its large ecosystem and grow partnerships with online and offline businesses across diverse sectors. Collaborations are essential to expand ecosystem while providing enhanced benefits and services to BCA customers. BCA's open platform seamlessly connects a broad range of customer segments, from individuals to small business owners, retailers, and large corporates, thereby facilitating business-to-business (B2B), business-to-customers (B2C) and customers-to-customers (C2C). We relentlessly extend our ecosystem reach to untapped communities which are connected to our existing customer base.

Board of Directors



Santoso
Director



Lianawaty Suwono
Director



Jahja Setiaatmadja
President Director



Frengky Chandra Kusuma
Director



Subur Tan
Director



Armand Wahyudi Hartono
Deputy President Director



Vera Eve Lim
Director



Haryanto Tiara Budiman
Director



Antonius Widodo Mulyono
Director



Gregory Hendra Lembong
Deputy President Director



Rudy Susanto
Director



John Kosasih
Director

Loan growth expansion, tapping quality customers and new opportunities

We are committed to supporting financing needs across corporate customers, commercial, SME and consumer segments. Corporate loans represented the largest portion of the loan portfolio at 46.3%, followed by commercial loans at 15.0%, SME loans at 13.4%, and consumer loans at 24.3%. Sharia financing, although a smaller segment at Rp10.7 trillion, demonstrated growth at 18.9% YoY. In 2024, all of BCA's loan segments experienced growth, up 13.8% YoY, surpassing the industry-wide loan growth rate.

In the corporate segment, BCA posted robust growth of 15.7%, supported by a well-diversified portfolio across sectors such as finance, telecommunications, food and beverage, transportation, consumer financing, automotive, property construction, and edible oils. Adding to the existing portfolio, and in alignment with government policy on resource downstreaming, BCA explored and disbursed loans to emerging industries such as nickel and aluminum. Several of our blue-chip customers also engaged in these new areas of opportunity. Overall investment loans accounted for 65% of the corporate portfolio, while working capital represented 35%.

Since 2022, BCA has systematically enhanced its capacity to support SME lending over the years. The credit processing times have been improved, and dedicated SME account officers and risk management personnel have been added. Stronger transaction data analytics were performed to generate business leads for both business and consumer credits. As a result, BCA has been able to tap into a larger base of transaction banking customers who previously had no credit lines with the bank and re-engage former borrowers. Targeted marketing and outreach efforts led to a notable increase in the SME portfolio, growing by 14.8% in 2024, exceeding the industry average. Growth was strong both on-Java and off-Java, with increases of 14.9% and 17.5%, respectively.

In consumer lending, the BCA brand is top of mind for mortgages, auto financing, and credit cards. Throughout 2024, we offered competitive rates, aimed at attracting more customers amidst modest market demand. We acknowledge and appreciate the government's policies and incentives, particularly the reduced Value Added Tax program for mortgages. Online and offline marketing campaigns, BCA Expoversary 2024 and BCA Expo Hybrid 2024, boosted mortgage acquisitions, generating Rp43 trillion in applications. As a result, BCA mortgages grew by 11.2% YoY to Rp135 trillion.

On the auto financing front, partnerships with top car brands and over 400 dealers enabled BCA's auto loans to grow by 14.8% YoY. Similar to mortgages, events were effective in driving demand, with BCA expos generating around Rp23 trillion in auto loan applications in 2024. Demand came from various regions, with new bookings from Java and Jakarta growing 7.2% and 11.6% respectively, while off-Java new bookings saw an increase of 19.1% YoY.

Personal loans, driven by credit cards, grew 12.8% YoY. We partner with international principals to ensure global usability of BCA credit cards, while remaining the only bank in Indonesia to offer proprietary cards under its own brand. BCA's ability to compete in consumer loans reflects the strength of its brand and services.

BCA's robust loan growth is balanced by proactive portfolio risk management. Asset quality has improved, as evidenced by the declining Loan at Risk (LAR) ratio, which decreased from 6.9% at the end of 2023 to 5.3% at the end of 2024, down from a peak of 19.4% in the first quarter of 2021. BCA maintained sufficient provisions for LAR coverage at 76.9% as of December 2024, compared to 69.7% in December 2023, with Non-Performing Loan (NPL) coverage at 208.5% as of December 2024.

Investing in key enablers, People and Information Technology (IT)

People and technology are essential for delivering the superior experience BCA customers expect. Therefore, BCA invests in workforce development, corporate culture, and IT capabilities, underlining service excellence as part of its core values.

A key priority for 2024 was grooming BCA's leadership by developing current and future leaders. Leaders from all functions joined the BCA LEADER+ program to strengthen their leadership skills and align with BCA's leadership values, particularly for young and talented new leaders. Programs such as Transformational Leadership are offered to ensure leaders are prepared for a future that demands continuous innovation and transformation. BCA's values and culture are actively promoted among employees at every level to reinforce the solid teamwork across divisions, regional offices, and branches ("One BCA").

Meanwhile, investment in IT infrastructure and cybersecurity has significantly grown as customer transactions increasingly shift digital. By the end of 2024, BCA's fourth data center became operational, enlarging the Bank's data management capacity. BCA is among the few banks that own and operate their own data centers, a critical advantage in supporting future digital transactions and strengthening IT governance and cybersecurity policies.

The IT systems have been modernized by adopting an Open System platform and Microservices Architecture, improving agility and scalability. The IT division has supported cost efficiencies through technologies such as Robotic Process Automation, Artificial Intelligence and Machine Learning to automate back-office functions and improve service quality.

Cybersecurity measures have been continuously enhanced. BCA operates a 24/7 Security Monitoring Center, consistently enhances data protection policies, and employs AI-driven solutions to detect anomalies and strengthen transaction security. Additionally, awareness programs for employees and customers are conducted to mitigate risks associated with social engineering and data breaches.

These initiatives strategically position BCA to provide reliable, secure, and advanced digital services to better serve its customers, while promoting an agile and innovative workforce for sustained long-term success.

Strengthening Environmental, Social, and Governance (ESG) Implementation

In line with its position as a leader in the industry, BCA continued to uphold and strengthen ESG implementation across its business and operations, ensuring long-term value creation for all stakeholders.

BCA has developed and implemented key ESG measures within its financing activities, including sectoral credit policies for high environmental risk industries such as the palm oil plantation industry, coal mining, toll road development, the cement & basic steel, timber and forest products. We maintain an exclusion list that targets activities such as illegal logging, gambling, and violations of community rights. Credit proposal reviews consider the environmental factor and conservation efforts of debtors. BCA actively monitors debtors' commitment and risk mitigation plans, particularly for businesses with significant risk of exacerbating climate change, forest destruction, and decreased biodiversity.

Following up on BCA's first bottom-up climate risk stress test (CRST) analysis last year, we continued to deepen our analysis of our portfolio risk exposure to climate-related issues. In 2024, we are on track to meet the Financial Services Authority (OJK) guidelines for climate-related risk assessment and mitigation by reporting CRST for 50% of our portfolio.

Expanding BCA's Sustainable Financing Portfolio

Demonstrating our firm commitment to grow sustainable finance, approximately 24.8% of the Bank's total loan portfolio has been disbursed to green financing and social financing. Total sustainable financing increased to Rp229 trillion, with Rp99 trillion allocated to Green Financing and Rp130 trillion to Social Financing.

Within Green Financing, loans were directed toward natural resources and sustainable land use, sustainable transportation, and eco-friendly products, wastewater management and renewable energy. The Bank continued its efforts to encourage sustainable palm oil practices with certifications for ISPO and RSPO increasing across its palm oil loan portfolio. At the end of 2024, 76% of certified palm oil debtors met national or international sustainability standards. Another effort is promoting the transition to low-carbon transportation by disbursing loans for electric vehicles (EVs). EV financing reached Rp2.3 trillion, up 84.2% YoY.

On the social financing side, BCA focused on developing local MSME businesses with a bigger attention on supporting women-led MSMEs as part of our contribution for promoting women's empowerment. Financing to women MSME debtors increased 16.4% YoY, reaching a value of Rp17.2 trillion with a total of 47,856 women entrepreneurs as debtors.

Managing Our Corporate Carbon Footprint

As part of striving to become an environmentally friendly company, BCA has taken consistent measures, focusing on four key initiatives: digitalization of banking activities, energy efficiency initiatives, waste management and recycling, and nature conservation.

The biggest contribution to carbon savings has come from the digitalization of BCA's operations. By reducing paper consumption and physical mobility, digital adoption continues to lower carbon emissions across customer interactions and internal processes.

We continue to focus on improving energy efficiency in BCA buildings. In 2024, BCA's Wisma BCA Foresta building became the first building in Indonesia to secure the Green Mark Super Low Energy building certificate from the Building and Construction Authority of Singapore. Additionally, BCA's Wisma BSB Semarang also obtained Platinum-level green building certification from the Green Building Council Indonesia.

In waste management, BCA stepped up its initiatives to address various types of operational waste, including electronic waste, expired archives and documentation, and organic as well as non-organic waste. In nature conservation, BCA supported rehabilitation of four islands to provide safe habitats for orangutans, planted more than 51,500 seedlings of mangroves and other trees, and built an innovative sea turtles hatchery with a capacity of 15,000 eggs, successfully releasing 15,003 hatchlings.

Through the four initiatives, BCA achieved total carbon savings of approximately 4,216 tCO₂ equivalent in 2024, up 40% compared to 3,021 tCO₂ equivalent in 2023. BCA continuously improves the calculation of its bank-wide carbon footprint including from its lending activities. More information on BCA's carbon mitigation progress is available in our 2024 Sustainability Report.

Giving Back, Doing More

BCA runs a series of programs to maintain a safe, pleasant working environment, and to enhance employee welfare. In 2024, BCA established a Sexual Harassment and Assault Prevention Unit and hosted a work safety and healthcare program called Gebyar Bulan K3, raising employee awareness regarding occupational safety and overall well-being.

BCA also remains steadfast in its mission to create lasting, positive impacts for communities through its "Bakti BCA" initiatives which date back to 1999, addressing critical areas such as education, public health, economic development, and access to essential services.

In 2024, BCA supported 30 villages across Indonesia, helping local communities unlock their economic potential. BCA also held health programs for underprivileged communities across Indonesia. In total, BCA conducted cataract surgeries for 1,010 patients, provided medical assistance to 13,620 individuals, and facilitated blood donation drives, collecting 2,211 bags of blood. Through these efforts, BCA supported the well-being of these communities.

Education remains as an ongoing program, with the Bakti BCA Scholarship providing one year of educational assistance to 700 students. In 2024, BCA also conducted more than 1,000 financial literacy activities, participated by over 230,000 individuals.

Through these targeted initiatives, BCA reinforces its commitment to fostering a cycle of empowerment, enabling individuals, communities, and ecosystems to thrive together and contribute to Indonesia's Sustainable Development Goals (SDGs).

ESG Recognition

BCA received multiple awards in 2024, recognizing the Bank's focus on sustainability and adherence to ESG principles. On the global stage, MSCI ESG Ratings has once again awarded BCA with an A Rating, reflecting its strong performance across environmental, social, and governance dimensions. Additionally, BCA achieved a score of 84.6 from Thomson Reuters – Refinitiv, the highest among Indonesian companies, with an A Rating. BCA continues to be a component of the FTSE4Good ASEAN 5 Index. On the Dow Jones Sustainability Index (CSA S&P Global), BCA received a score of 50 with a percentile rank of 80th globally.

Domestically, BCA has been included in the SRI-KEHATI Index, ESG Quality 45 IDX KEHATI Index and ESG Sector Leaders IDX KEHATI Index, which are key indicators of excellence in ESG performance within the Indonesian market. These accolades serve as motivation to deepen our efforts in embedding sustainability into every aspect of our

business. As we look to the future, BCA remains committed to fostering positive change for the environment, society, and all stakeholders as a responsible partner that strives to create lasting value.

Adhering to Good Corporate Governance

Implementation of GCG is an essential factor in retaining the trust of our diverse stakeholders. BCA adheres to rigorous compliance standards, fostering transparency and upholding good of conduct in business and operation.

BCA's high standards of corporate governance is reflected by its ASEAN Corporate Governance Scorecard (ACGS) classification as one of a select few ACGS ASEAN Asset Class Publicly Listed Companies. BCA's consistent adherence to strong governance practices won recognition from a number of prestigious institutions. Among others, BCA was named the Greatest Champions of GRC Excellence Performance 2024 and The Best Overall in Corporate Governance – IICD Corporate Governance Award 2024.

Role of the Board of Directors in Formulating Strategies and Policies

The Board of Directors plays an integral role in developing and implementing BCA's strategies and policies, ensuring that they align with the Bank's Vision and Mission while addressing the evolving needs of its customers. On this regard, the Board set clear strategic directions by leveraging BCA's core strengths to sustain business growth.

The Board set targets aligned with these objectives, and these targets are communicated throughout the organization, reinforced by clearly defined Key Performance Indicators (KPIs). The Board formulates strategic initiatives and policies and cascades the targets to be achieved by each business unit to drive alignment and accountability across the organization. Comprehensive business plan is discussed with all business units, along with critical enablers, such as staffing, technology and infrastructure requirements, and risk management to ensure effective risk mitigation policies.

Ensuring Execution and Implementation of Corporate Strategy

The Board ensures corporate strategy execution through effective communication across the organization, including business units, support functions, branches, and subsidiaries.

Work units and subsidiaries provide regular progress reports to the Board. The Board is responsible for monitoring, providing feedback, and aligning the initiatives of various work units to achieve the overall goal. Reviews and feedback loops focus on, among other business growth aspect, risk management, customer engagement, digital capabilities, service quality, and transaction security.

The Risk Management Unit and Internal Audit function support the Board in maintaining risk governance by monitoring daily operations and providing inputs on credit and operational risks. Insights from these reviews guide corrective actions to ensure compliance with risk thresholds while staying focused on achieving the strategic goals.

Performance of the Committees under the Board of Directors

The Board of Directors is supported by seven committees: Asset and Liability Committee (ALCO), Risk Management Committee, Integrated Risk Management Committee, Credit Policy Committee, Credit Committee, Information Technology Steering Committee, and Personnel Case Advisory Committee. Over the year, the committees effectively fulfilled their roles, providing advice and recommendations to the Board. The Board periodically held regular discussions with them to gain insights for strategic decision-making.

Composition of the Board of Directors

The composition of the Board of Directors remained unchanged throughout 2024. The Board of Directors expresses appreciation to the shareholders for their trust and support in its efforts to achieve sustainable growth for BCA and create long-term value for all stakeholders.

Business Prospects

Heading into 2025, we are optimistic yet cautious. Globally, key issues include the potential escalation of the US-China trade war, ongoing conflict in the Middle East, the potential re-emergence of inflationary pressures, and supply chain disruption risk, could impact emerging economies.

Indonesia's Gross Domestic Product (GDP) growth is projected to remain resilient at around 5.0% in 2025, mirroring the growth rate expected for 2024, though this projection may change based on various factors. On interest rate outlook, Bank Indonesia intends to proceed with caution, prioritizing macro stability and conducive business environment for growth. Further adjustments to the policy rate will be influenced by several variables including the Federal Reserve's rate decisions, foreign investment flows, domestic economic growth and the Rupiah exchange rate.

Partnering with the Financial Services Authority (OJK), BCA will proactively review the operating environment, and to remain agile in adjusting business assumptions while adhering to the principle of banking prudence. Reflecting the current conditions, moderate targets have been set for 2025, as follows:

| Category | 2025 Target |
|----------------------------|-------------|
| Gross Domestic Product | 5% |
| Loan Growth | 6% - 8% |
| Net Interest Margin (NIM) | 5.7% - 5.8% |
| CIR (Cost to Income Ratio) | 33% - 34% |
| Cost of Credit (COC) | ~0.3% |
| Return on Asset (ROA) | 3.6% - 3.8% |
| Return on Equity (ROE) | 21% - 23% |

In order to navigate the uncertainties of the upcoming year, we have built up strong capital reserves and ample liquidity. This would also position us to pursue opportunities should economic growth exceed expectations. Over the long term, factors such as ongoing urbanization, increasing customer sophistication, currently low banking penetration, and a rising population will likely drive demand for banking services. We have confidence in Indonesia's future prospects and, as one of the country's major banks, we are committed to growing alongside the nation.

Gratitude for Your Trust

As we conclude 2024, we would like to extend our sincere appreciation to all our customers, partners, and employees for their continued trust and support in BCA. Your loyalty has been instrumental in shaping BCA into the robust and dynamic institution it is today, and we are grateful for the opportunity to serve you and earn your ongoing trust.

We express our deepest gratitude to the Board of Commissioners for their steadfast guidance, advice, and generous support throughout the year. Their invaluable insights have been critical to our strategic direction and significantly contributed to the Bank's sustained success. Equally important, we acknowledge the essential role played by our regulators, Bank Indonesia (BI) and the Financial Services Authority (OJK). Their support and cooperation, particularly during periods of uncertainty, have been vital to our continued growth and stability. We are proud to collaborate with them as we navigate the evolving challenges within the financial sector.

Looking ahead, BCA remains steadfast in its commitment to reinforcing trust in the BCA brand. By maintaining a focus on service excellence, good governance, and ethical corporate citizenship, we aim to continue building a trusted and resilient institution that is "Always by Your Side" (Senantiasa di Sisi Anda). Thank you once again for your trust and support. We look forward to another year of success, growth, and mutual progress in 2025.

Jakarta, February 2025

On behalf of the Board of Directors,



Jahja Setiaatmadja
President Director

Supervisory Report of The Board of Commissioners



Djohan Emir Setijoso
President Commissioner



BCA posted excellent performance and strengthened its foundation to support future growth through strategic investments in various key areas



Respected Stakeholders,

BCA closed 2024 with strong financial results, delivering a record-high net profit after tax of Rp54.8 trillion, a growth of 12.7% YoY. The Board of Commissioners recognizes the Bank's achievement of robust loan growth across segments while managing a sound liquidity position amidst stiff deposit competition. This accomplishment translated into Rp445 earnings per share and a respectable return on shareholders' funds at 24.6%. BCA's unwavering focus as a hybrid bank with robust multiple touch points has reinforced its role as a reliable partner in the Indonesia's banking industry, serving a growing and increasingly diverse customer base.

Outstanding Performance in a Moderate Operating Environment

The global economy in 2024 experienced heightened uncertainty, driven by escalating geopolitical tensions and government transitions in several countries, including in the United States. The outcome of the US presidential election strengthened the US Dollar index, causing currencies in many emerging economies to weaken, on top of a high-for-longer interest rate outlook. In addition, the Federal Reserve Board's slower-than-expected rate cuts led to unpredictable capital outflows globally.

We appreciate that the Indonesian authorities promptly responded to these challenges by implementing prudent measures which prioritized macro stability. To safeguard the IDR exchange rate, Bank Indonesia put a pause on its rate cut plan for

the remainder of 2024 after one downward adjustment in September 2024. Indonesia's inflation rate remained mild, and foreign exchange reserves were at adequate levels, providing a buffer against external shocks driven by global capital flows and foreign exchange risk. Indonesia's economy registered moderate growth of approximately 5% level in 2024. The country's administration has launched several incentive packages to spur domestic economic growth, ranging from support for households to fiscal packages with the purpose of stimulating SMEs and domestic purchasing power, particularly for middle- to lower-income brackets.

As a proxy of the macroeconomy, Indonesia's banking sector displayed resilience amidst tightening liquidity. As loans outgrew deposits throughout the year in a high interest rate environment, the banking

Board of Commissioners

**Raden Pardede**

Independent Commissioner

**Djohan Emir Setijoso**

President Commissioner

**Sumantri Slamet**

Independent Commissioner

**Cyrillus Harinowo**

Independent Commissioner

**Tonny Kusnadi**

Commissioner

system experienced intense competition for funding, compelling banks to raise third-party deposits pricing, and thus, impacting earnings. Despite these headwinds, by leveraging its extensive ecosystems, BCA successfully attracted and retained low cost CASA deposits that contributed around 82% of the Bank's total third-party funds. BCA was therefore able to maintain a strong liquidity buffer and manage the cost of funds effectively, allowing the Bank to lend at competitive pricing. The Bank registered broad-based loan growth of 13.8%, higher than the industry average of 10.4%. The combination of solid credit and funding performance increased net interest income by 9.8% to Rp82.3 trillion, contributing around 76% to the Bank's total operating income.

BCA's prudent approach ensured that strong loan growth was accompanied by an emphasis on quality and diversification. The Loan at Risk (LAR) ratio improved, with ample NPL coverage of 208.5% at the end of 2024. Simultaneously, discipline in cost management was enforced, resulting in a lower Cost to Income Ratio of 31.5% compared to 34.1% a year ago. Overall, BCA delivered exceptional results across key metrics, from operating income line to the bottom line with a robust financial position.

Assessment of the Performance of the Board of Directors

The Board of Commissioners commends the Board of Directors on the sound 2024 financial results, which are attributable to the Board of Directors' successful efforts in navigating the dynamic operating environment, delivering broad-based quality loan growth and further strengthening BCA's transaction banking franchise.

It is worth noting that these accomplishments were not achieved without overcoming challenges. The Board of Directors had to address diverse issues, among others keeping up with rapid technological change, cyber-attack threats, sustaining stable asset quality, and regeneration of human resources. We are delighted to see that these challenges were well managed overall and the Bank's key initiatives were effectively executed. The Board of Commissioners supports the Bank's strategic priorities, which focus on a convenient and reliable transaction platform, a hybrid business model, strengthening IT capabilities and cyber security, people development, and quality loan growth.

To embrace evolving customer needs in payment and settlements, BCA introduced a number of new features to expand on its past offerings. BCA's transaction engine has delivered higher transaction frequency on both its

physical and digital networks. Enhancements to customer experience, firm execution on all channels, and targeted outreach had successfully boosted customer engagement during the year. On average, BCA processed more than 98 million transactions on a daily basis throughout 2024, a reflection of BCA's service excellence.

Leveraging its large customer base, the Bank further expanded its ecosystem, reaching new communities and untapped value chains that are connected to its existing network of clients. Collaborations with other ecosystems have been seamlessly supported by open platform interconnectivity. These efforts were proven to be fruitful as BCA has been able to attract over 15 million new customers in the last five years.

BCA has focused on strengthening its IT infrastructure, transaction channels, and human resources to bolster its business fundamentals. Key areas of investment include a new data center that commenced operation in late 2024, cybersecurity, workforce training, and systematic process improvements. In 2024, the total capital expenditure reached Rp4.3 trillion, in which is mostly was IT-related spending.

To deliver sustainable loan growth, the Board of Directors explored opportunities in the corporate segment, particularly in minerals and resources downstreaming, in alignment with the government's focus on developing the added-value economy. These initiatives were carefully evaluated to balance growth aspirations with prudent risk management practices. Quality underwriting is pivotal for the Bank to maintain a robust loan portfolio over the long run.

In the SME segment, various investments have been made over the past three years to enhance capacity and products to better serve SME players. The Board of Commissioners is pleased to see that stronger SME loan growth has been paired with quality. The consumer loan segment also posted a strong increase across mortgages, auto financing, and credit cards. The outstanding performance in both SME and consumer lending was attributable to more in-depth business leads, data analysis and outreach. Both SME and consumer loan growth were solid across Indonesia, which bodes well for future expansion in diversified geographies.

The Board of Commissioners advises that the Bank should maintain strong capital and adequate liquidity to navigate rising global and domestic uncertainties, while laying the foundation for future sustainable and high-quality loan growth.

Sustainable Finance and Climate Resilience Commitment

As part of building a sustainable banking business and contributing to national targets, BCA is committed to supporting green economy initiatives and addressing climate-related risks. The management has proactively explored opportunities in this field by growing the sustainable finance portfolio by 12.5% to Rp228.6 trillion, accounting for 24.8% of BCA's total loan portfolio. ESG factors are now part of BCA's credit process, in line with regulator guidance and industry best practices.

Green financing initiatives and social financing, especially for small-scale women entrepreneurs, gained traction in 2024. We see both as potential opportunities for growth with either social or environmental impact. In parallel, the Board of Directors pursued various initiatives to manage the Bank's carbon footprint, including waste reduction and recycling programs, and investments in energy-

efficient buildings. These efforts align with Indonesia's broader sustainability goals of inclusive economic growth and net zero carbon by 2060, reaffirming BCA's role as a responsible corporate citizen.

Oversight of BCA's Strategy & Implementation

The Board of Commissioners actively monitored BCA's strategic direction and execution throughout the year, ensuring that the Bank remained aligned with its long-term objectives in an increasingly volatile operating environment. Regular reviews of key initiatives allowed the Board to provide guidance and constructive feedback through in-person and hybrid format meetings and communications on critical areas, including business strategy, risk management, audit, and compliance.

In 2024, the Board of Commissioners held 44 meetings and 6 joint meetings with the Board of Directors. The followings were the area of discussions with the Board of Directors:

| Topic | Actions by the Board of Commissioners |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Strategy & Management | <ul style="list-style-type: none"> • Oversaw business progress and operations, while monitoring the operating environment throughout 2024, covering a variety of macroeconomic parameters, interest rate movement and competition. • Provided inputs on the Bank's strategic direction to the Board of Directors. Touched base on how the business model can remain relevant in a dynamic environment, taking into account changes in transaction behavior, digital evolution, competition in the payment system and shifting customer demographics. The Board of Commissioners noted continuous development in IT and human resources. • Reviewed policies related to lending limits particularly for the industries to which BCA has increased its exposure, and assessed credit disbursement to top obligors to manage concentration risk. • Oversaw asset management and allocations. Supervised corporate budget on both sides of revenues and costs as well as provided feedback through periodic reviews. |
| Risk Management | <ul style="list-style-type: none"> • Monitored and assessed risk profile, integrated risk management implementation and capital structure. • Held regular discussions with IT division and Risk Management Unit, and monitored cyber risk in the banking sector and BCA. • Held discussions with external parties, and reviewed the duties and responsibilities of BCA's Board of Commissioners from time to time. • Monitored global macroeconomic condition and banking trends, and evaluated BCA's liquidity strength and capital adequacy in the event of significant disruption. • Monitored and reviewed Risk Appetite Statement of the Bank. • Approved the Recovery Plan and the Resolution Plan of the bank. |
| Audit & Compliance | <ul style="list-style-type: none"> • Monitored and reviewed the scope of audit. • Monitored internal audit assessments on work units and branch performance. |

Evaluation of Corporate Governance Implementation

In the opinion of the Board of Commissioners, the management effectively adhered to and implemented good corporate governance (GCG) practices throughout the Bank's day-to-day operations. The Board of Directors consistently upheld the principles of transparency, accountability and fairness, ensuring that BCA's operations remained compliant with regulatory requirements and responsive to stakeholder expectations. Under the ASEAN Corporate Governance Scorecard (ACGS) criteria, the Bank's GCG implementation received a 'Very Good' rating, reaffirming its compliance with international standards.

The Board of Commissioners closely monitored the Bank's risk management framework as part of upholding rigorous GCG practices, with particular attention on emerging risks such as cybersecurity threats and global economic volatility. BCA's holistic approach to managing risk ensured that the Bank remained resilient, with ample liquidity buffers and loan portfolio diversification to mitigate potential risks.

Observations on the Whistleblowing System

BCA's whistleblowing system is an important mechanism for maintaining ethical and transparent business practices. Supervised directly by the Board of Commissioners, the system functioned smoothly in 2024, enabling internal as well as external stakeholders to report fraud or violations confidentially.

Assessment of Committees under the Board of Commissioners

The Board of Commissioners is supported by four key committees: the Audit Committee, the Risk Oversight Committee, the Remuneration and Nomination Committee, and the Integrated Governance Committee. Each committee performed its duties satisfactorily in 2024, supporting the implementation of good governance.

The Audit Committee reviewed key matters pertaining to financial reporting, internal control systems, and regulatory compliance, ensuring that BCA's operations are aligned with regulatory standards and internal policies. The Committee also addressed instances of fraud and provided feedback to the Board.

The Risk Oversight Committee actively monitored the Bank's risk management framework, ensuring that BCA's policies and practices were adequate to address evolving market conditions. In 2024, the committee assessed a

wide range of risk factors, including credit quality, market volatility, and operational risks, and provided guidance on maintaining a strong liquidity position and asset quality.

The Remuneration and Nomination Committee provided recommendations on BCA's remuneration policies and talent management strategies. The committee also oversaw talent mapping efforts to strengthen the leadership pipeline for overall organizations.

The Integrated Governance Committee focused on ensuring the implementation of integrated governance across BCA and its subsidiaries. By closely monitoring compliance with governance principles, the committee promoted sound business practices across the organization, reinforcing BCA's commitment to transparency and accountability. More information on these committees is available in the Good Corporate Governance Chapter of this report on pages 324-325.

Composition of the Board of Commissioners

The composition of the Board of Commissioners was unchanged in 2024.

On 16 December 2024, I formally submitted my resignation as the President Commissioner of BCA, proposing an early retirement from my original 5-year term of 2021 - 2026. Upon this request, the Bank revisited its succession plan, and the Remuneration and Nomination Committee will nominate a suitable successor, taking into account the track record, experience, and competency of the candidates. BCA's Annual General Meeting of Shareholders (AGMS) will determine the last effective date of my President Commissioner tenure.

Assessment of the Board of Directors' Evaluation of Business Prospects

We fully support the Board of Directors' cautiously optimistic outlook for 2025, taking into consideration the potential spillover of global uncertainties to emerging economies, including Indonesia.

Indonesia's economy is projected to grow moderately in 2025 at approximately 5%, a similar level as in 2024. We expect the financial authorities to take proactive measures to navigate global challenges, with the objective of maintaining a conducive domestic economy. These policies will take into account various factors, including inflation, the pace of economic growth, the trajectory of the US Federal Reserve policy, and the

Rupiah's stability. We concur with the Board of Directors' view to set realistic business assumptions in the Bank's Business Plan (RBB) in line with the pace of the economy.

We think it will be imperative for the Board of Directors to balance their targets with prudent measures so as to be able to navigate possible shocks with the support of sound risk management. In parallel, the Board of Directors must remain agile, so as to capitalize on upside opportunities should growth exceed expectations.

The Bank's strategic priorities for 2025 include maintaining quality loan growth, enhancing digital capabilities, and expanding the ecosystem through partnerships and customer acquisition. We further encourage the Board to continue investing in key areas such as digitalization, cybersecurity, and human capital, to preserve BCA's long-term growth trajectory. We are confident that BCA will uphold its excellent customer experience and maintain its position as a leader in the Indonesia's banking industry.

Closing Remarks

Having concluded the year with strong performance, it is critical that the Bank remains well-positioned to navigate potential challenges ahead, globally as well as domestically. We believe that these challenges will also bring about opportunities for growth, innovation and collaboration.

It has been an incredible honor for me to serve as the President Commissioner over the past 14 years, following my tenure as the President Director since 1999. It has been a privilege to witness the remarkable transformation and sustainable business growth of the Bank, accompanied by a culture of prudent and good governance. I am deeply grateful for the opportunity to work alongside incredibly talented individuals, as part of a team that values collaboration and innovation. I wish the Bank continued success and pledge my full support in ensuring a smooth transition.

Lastly, on behalf of the Board of Commissioners, I would like to extend our heartfelt gratitude to customers, regulators, all members of the Board of Directors, employees and shareholders for their trust and unwavering support, which has propelled BCA's strong performance. With the support from all these parties, we believe BCA will thrive and deliver sustainable value creation for years to come.

Jakarta, February 2025
On behalf of the Board of Commissioners,



Djohan Emir Setijoso
President Commissioner