

**ANNUAL REPORT OF
THE INTEGRATED GOVERNANCE IMPLEMENTATION**

FINANCIAL CONGLOMERATION PT BANK CENTRAL ASIA Tbk

YEAR 2019

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THE INTEGRATED GOVERNANCE IMPLEMENTATION OF
THE FINANCIAL CONGLOMERATION PT BANK CENTRAL ASIA Tbk
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Annual Report of The Integrated Governance Implementation of The Financial Conglomeration PT Bank Central Asia Tbk ("BCA") year 2019 was prepared in accordance with:

1. OJK Regulation Number 18/POJK.03/2014 dated 18 November 2014 regarding Implementation of Integrated Governance for Financial Conglomerates;
2. OJK Regulation Number 55/POJK.03/2016 dated 7 December 2016 on Implementation of Governance for Commercial Banks;
3. OJK Circular Letter Number 15/SEOJK.03/2015 dated 25 May 2015 on Implementation of Integrated Governance for Financial Conglomerates;
4. OJK Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017 on Implementation of Governance for Commercial Banks.

Annual Report of The Integrated Governance Implementation of The Financial Conglomeration PT Bank Central Asia Tbk ("BCA") year 2019 at least consist of:

- I. Self Assessment Report on the Integrated Governance Implementation;
- II. Financial Conglomerate Structure as of 31 December 2019;
- III. Share ownership structure in Financial Conglomerate describing the parties who become shareholders of Financial Service Institution/FSI (Subsidiaries) in Financial Conglomerate up to the ultimate shareholders;
- IV. Management structure in the Legal Primary entity and Financial Services Institution/FSI (Subsidiaries) of a Financial Conglomerate;
- V. Intra-group transaction policy which at least contains policy to identify, to manage and to mitigate intragroup transaction;
- VI. Supervision of Board of Commissioners and Board of Directors;
- VII. Adequacy of Policy, Procedure, and Implementation of Inter-group Transaction Risk Limit;
- VIII. Adequacy of Identification Process, Measurement, Monitoring, and Risk Control and Information System of Inter-group Transaction Risk Management;
- IX. Overarching Internal Control Towards the Implementation of Inter-group Transaction Risk;
- X. The Report of Corporate Governance of the Company has to cover at least the following:
 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 Governance year 2019 in accordance with The Attachment IV Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017; and
 3. The Company's Good Corporate Governance Action Plan for 2019 in accordance with the point X Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 dated 17 March 2017.

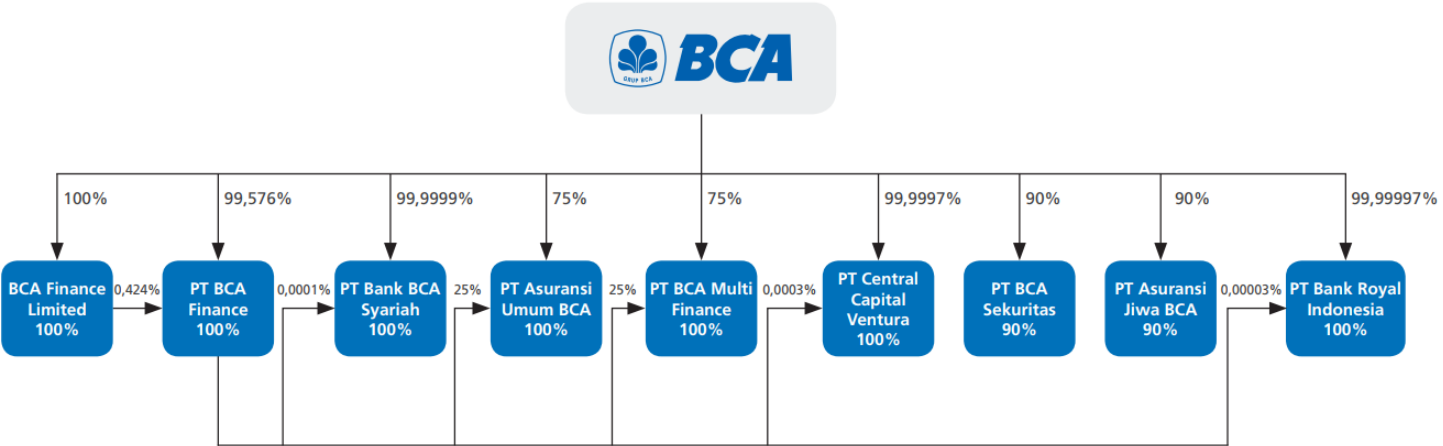
I. SELF-ASSESSMENT REPORT ON THE IMPLEMENTATION OF INTEGRATED GOVERNANCE

Main Entity : PT Bank Central Asia Tbk

Report Position : 31 December 2019

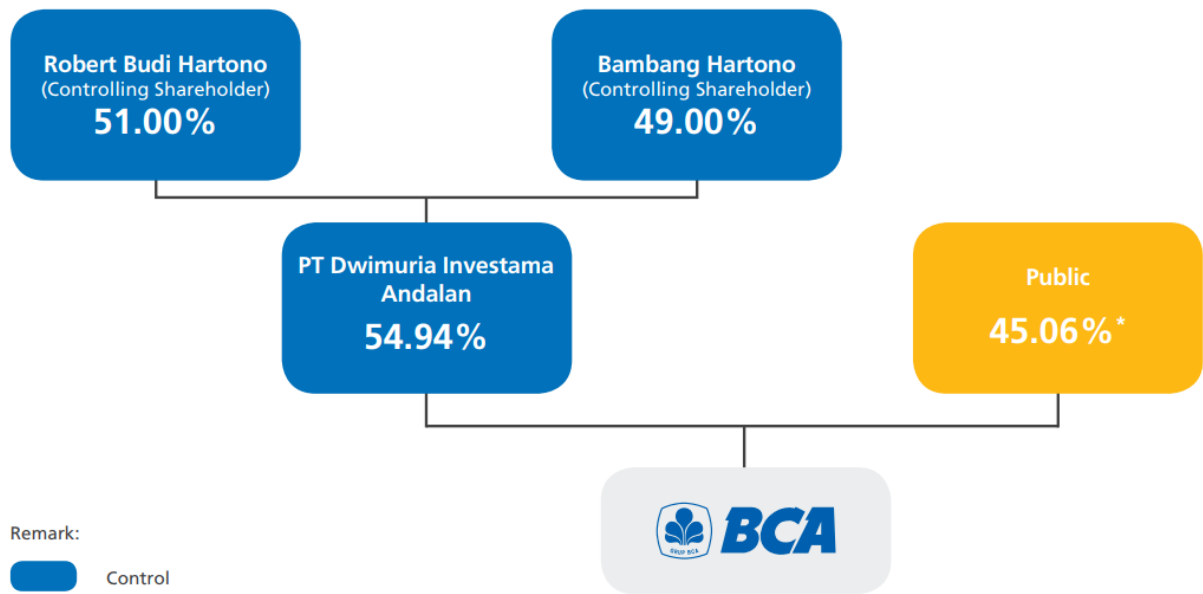
Self-Assessment Result of Integrated Governance Implementation	
Rank	Rank Definition
2	The Financial Conglomerate has implemented Integrated Governance that is generally good . This is reflected from the adequate fulfillment of the implementation of Integrated Governance principles. In the event of weaknesses in the implementation of Integrated Governance, the weaknesses are less significant in general and can be resolved with normal actions by the Main Entity and/or FSI.
Analysis	
<p>Based on the Self-Assessment analysis towards Integrated Governance structure, Integrated Governance process, and Integrated Governance result in each assessment factor to evaluate the implementation of Integrated Governance, it can be concluded that:</p> <ol style="list-style-type: none">1. Integrated Governance Structure based on the result of assessment is complete.2. Integrated Governance process, based on the result of assessment is effective supported by a complete structure.3. Integrated Governance result, based on the result of assessment, has a good quality resulted from the Integrated Governance process aspect which is effective and supported by a full structure.	

II. SRUCTURE OF BCA's FINANCIAL CONGLOMERATE



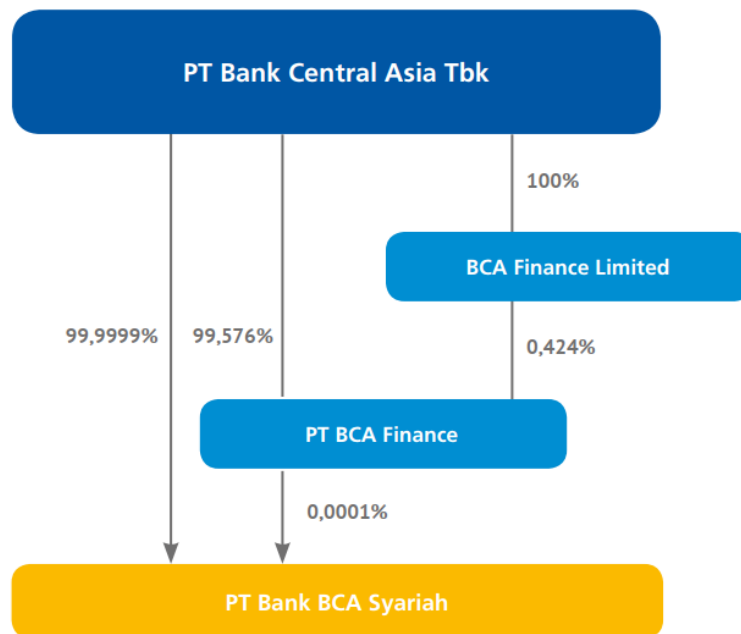
III. STRUCTURE OF THE SHARE OWNERSHIP IN FINANCIAL CONGLOMERATE DESCRIBING PARTIES WHO BECOME THE SHAREHOLDERS OF LJK (SUBSIDIARY COMPANY) IN FINANCIAL CONGLOMERATE AND THE ULTIMATE SHAREHOLDERS

As of 31 December 2019

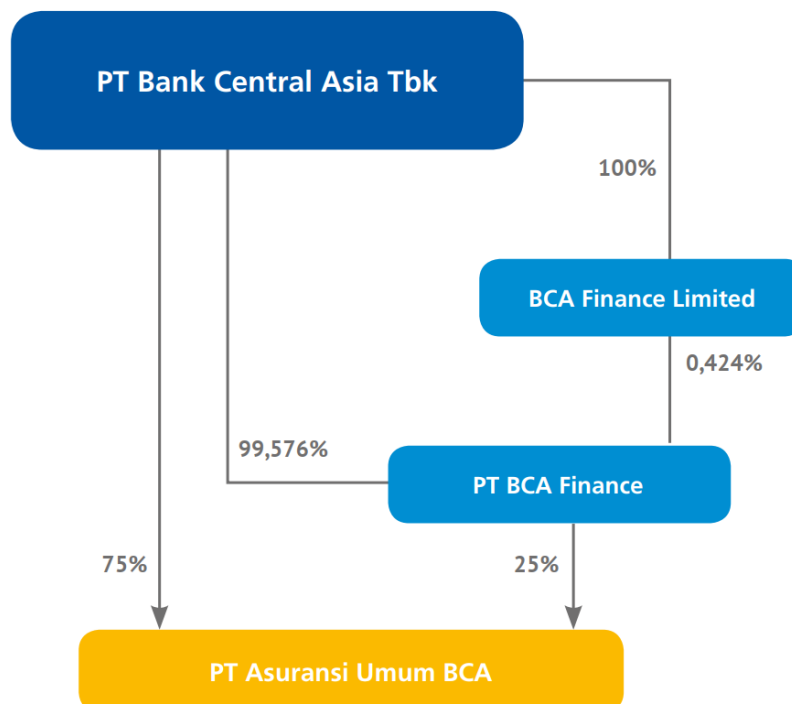


* Of the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan, 1.76% is owned by Anthoni Salim. In addition, 0.19% is owned by certain members of the current Board of Commissioners and Board of Directors of BCA.

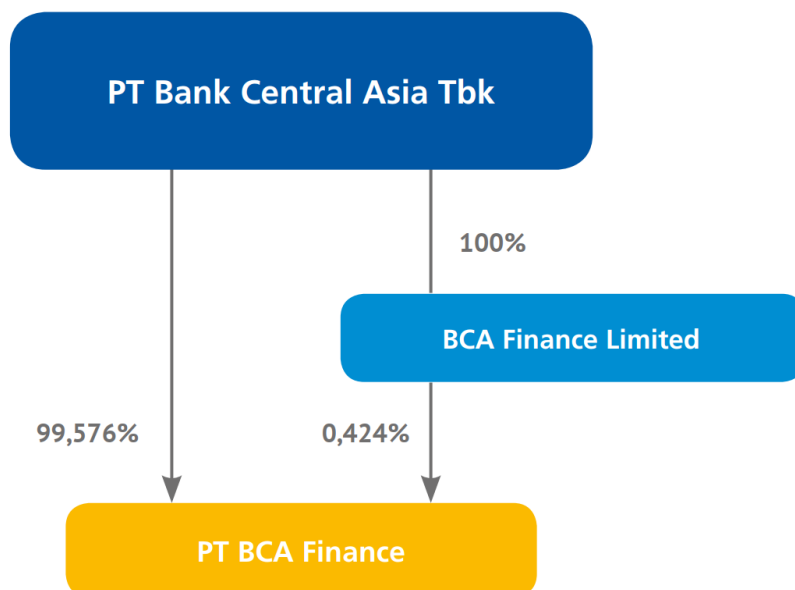
1. SHARE OWNERSHIP STRUCTURE OF PT BANK BCA SYARIAH



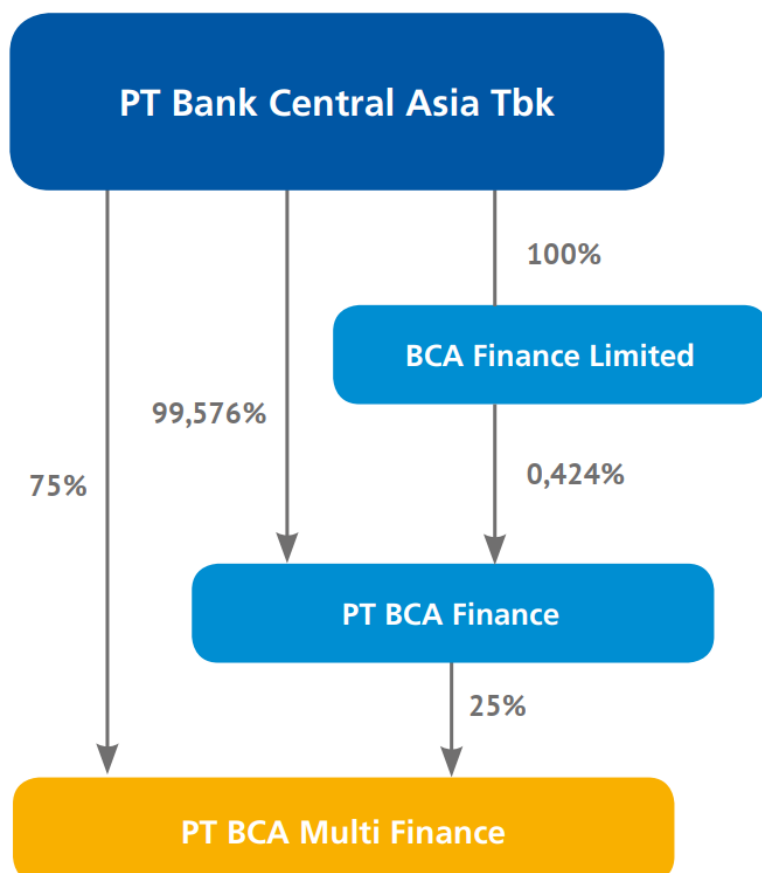
2. SHARE OWNERSHIP STRUCTURE OF PT ASURANSI UMUM BCA



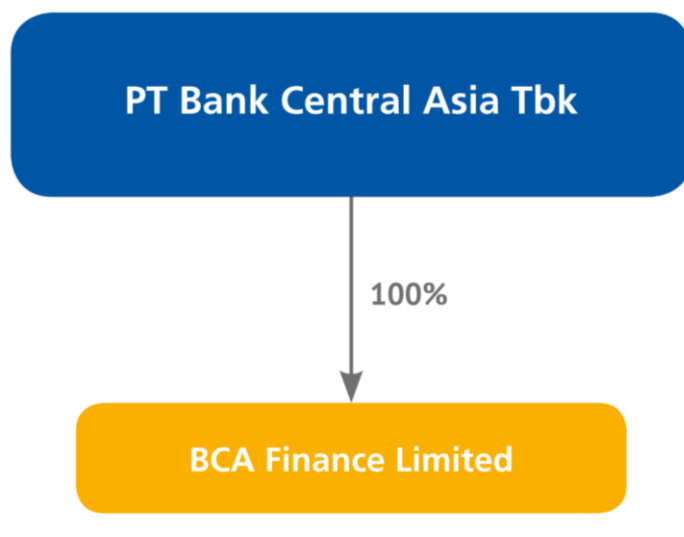
3. SHARE OWNERSHIP STRUCTURE OF PT BCA FINANCE



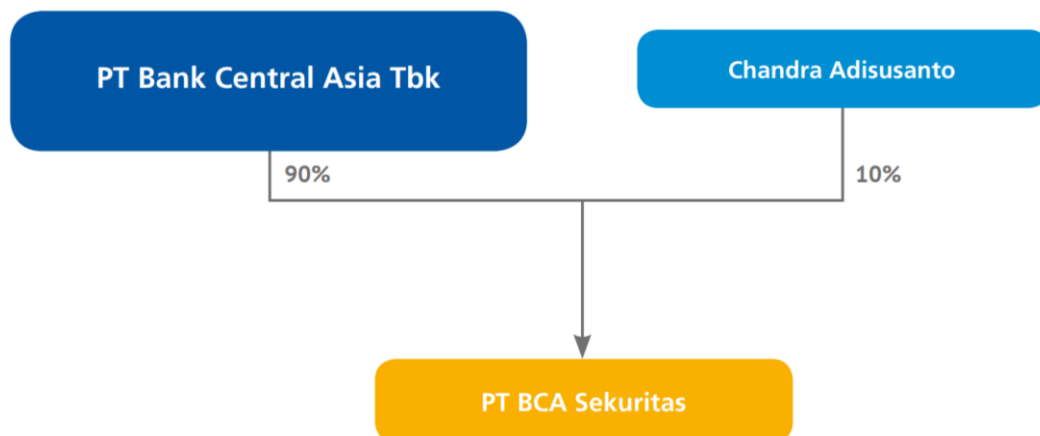
4. SHARE OWNERSHIP STRUCTURE OF PT BCA MULTI FINANCE (FORMERLY PT CENTRAL SANTOSA FINANCE)



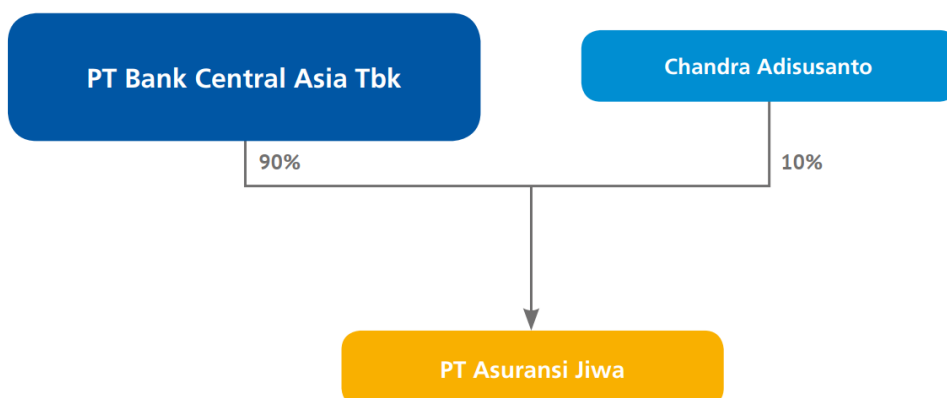
5. SHARE OWNERSHIP STRUCTURE OF BCA FINANCE LIMITED



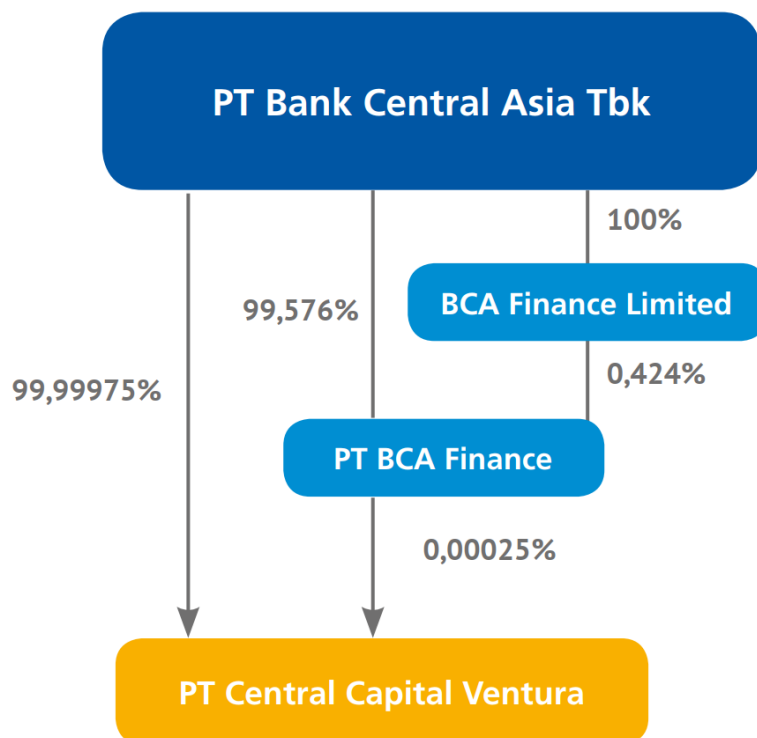
6. SHARE OWNERSHIP STRUCTURE OF PT BCA SEKURITAS



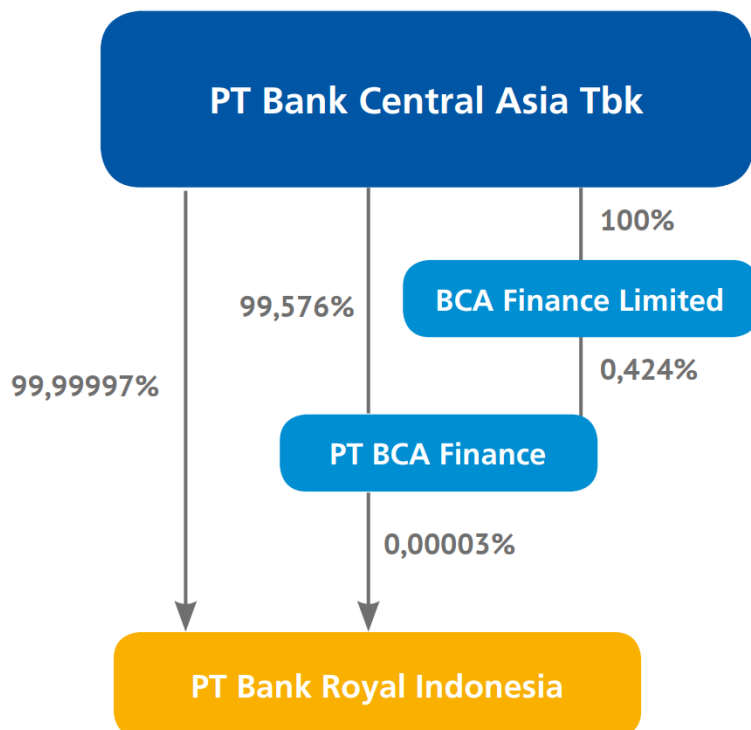
7. SHARE OWNERSHIP STRUCTURE OF PT ASURANSI JIWA BCA



8. SHARE OWNERSHIP STRUCTURE OF PT CENTRAL CAPITAL VENTURA



9. SHARE OWNERSHIP STRUCTURE OF PT BANK ROYAL INDONESIA



IV. MANAGEMENT STRUCTURE AT PT BANK CENTRAL ASIA TBK AS THE MAIN ENTITY AND FSI (SUBSIDIARIES) IN THE FINANCIAL CONGLOMERATE

MANAGEMENT STRUCTURE OF PT BANK CENTRAL ASIA Tbk

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
Vice President Director	Suwigno Budiman
Vice President Director	Armand Wahyudi Hartono
Director	Subur Tan
Director	Henry Koenaifi
Independent Director	Erwan Yuris Ang
Director	Rudy Susanto
Director	Lianawaty Suwono
Director	Santoso
Director (concurrently Compliance Director)	Inawaty Handojo
Director	Vera Eve Lim

MANAGEMENT STRUCTURE OF PT BANK BCA SYARIAH

Board of Commissioners

Position	Name
President Commissioner	Tantri Indrawati
Independent Commissioner	Suyanto Sutjiadi
Independent Commissioner	Joni Handrijanto

Board of Directors

Position	Name
President Director	John Kosasih
Compliance Director	Houda Muljanti
Director	Rickyadi Widjaja
Director	Pranata

Sharia Supervisory Board

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

MANAGEMENT STRUCTURE OF PT BCA FINANCE

Board of Commissioners

Position	Name
President Commissioner	Jacobus Sindu Adisuwono
Independent Commissioner	David Hamdan
Independent Commissioner	Sulistiyowati

Board of Directors

Position	Name
President Director	Roni Haslim
Director	Petrus Santoso Karim
Director	Amirdin Halim
Director	Lim Handoyo
Director	Sugito Lie

MANAGEMENT STRUCTURE OF PT BCA MULTI FINANCE

Board of Commissioners

Position	Name
President Commissioner	Roni Haslim
Commissioner	Hermanto, SH
Independent Commissioner	Mendari Handaya

Board of Directors

Position	Name
President Director	Herwandi Kuswanto
Director	Senjaya Komala
Director	Adhi Purnama
Director	Parmanto Adhi Tjahjono
Director	Suiman Agung

MANAGEMENT STRUCTURE OF PT ASURANSI UMUM BCA

Board of Commissioners

Position	Name
President Commissioner	Petrus Santoso Karim
Commissioner	Liston Nainggolan
Independent Commissioner	Gustiono Kustianto
Independent Commissioner	Edison Idrus

Board of Directors

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

MANAGEMENT STRUCTURE OF PT BCA SEKURITAS

Board of Commissioners

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Hendra Iskandar Lubis

Board of Directors

Position	Name
President Director	Mardy Henko Susanto
Director	Imelda Arismunandar

MANAGEMENT STRUCTURE OF PT ASURANSI JIWA BCA

Board of Commissioners

Position	Name
President Commissioner	Christina Wahjuni Setyabudhi
Commissioner	Eva Agrayani Tjong
Commissioner	Pudjianto
Independent Commissioner	Hardjono

Board of Directors

Position	Name
President Director	Rio Cakrawala Winardi
Director	Yannes Chandra
Director	Antonius Widodo Mulyono

MANAGEMENT STRUCTURE OF BCA FINANCE LIMITED

Board of Directors

Position	Name
Director	Andy Kwok
Director	Edmund Tondobala
Director	Rudy Harjono

MANAGEMENT STRUCTURE OF PT CENTRAL CAPITAL VENTURA

Board of Commissioners

Position	Name
Commissioner	Ina Suwandi

Board of Directors

Position	Name
President Director	Armand Widjaja
Director	Michelle Suteja

MANAGEMENT STRUCTURE OF PT BANK ROYAL INDONESIA

Board of Commissioners

Position	Name
President Commissioner	Ibrahim Soemedi
Independent Commissioner	I Made Soewandi, SH. MH
Independent Commissioner	Edison S.T. Marbun

Board of Directors

Position	Name
President Director	Louis Halilintar Sjahlim
Director	Diana Annarita
Director	Sabtiwi Enny Sulastri

V. POLICY OF INTER-GROUP TRANSACTION CONTAINING THE POLICY TO IDENTIFY, MANAGE, AND MITIGATE INTER-GROUP TRANSACTIONS

Ownership and/or control relationships in various financial service sectors may influence the business sustainability of FSI, which is due to risk exposures that arise or the dependence of an FSI both directly and indirectly from the business activities of FSI that is incorporated in one Financial Conglomerate.

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

Formulation of the Inter-Group Transaction Risk Management Policy in BCA refers to:

- a. OJK Regulation No. 17/POJK.03/2014 concerning Implementation of Risk Management for Financial Conglomerate.
- b. OJK Circular Letter No. 14/SEOJK.03/2015 concerning Implementation of Integrated Risk Management for Financial Conglomerates.
- c. Decree of the Board of Directors No. 178/SK/ DIR/2015 concerning the Issuance of the Basic Policy on Integrated Risk Management of BCA Financial Conglomerate.

Definition of Inter-Group Transaction Risk

Inter-group transaction risk is the risk that is due to the dependency of an entity, both directly and indirectly, to other entities in a Financial Conglomerate in the context of fulfilling the obligations of a written or unwritten agreement that is followed by a transfer of funds and/or not followed by a transfer of funds.

Objective of inter-group transaction risk management

The main objectives of the inter-group risk management include:

- a. To manage and supervise inter-group transactions of the financial conglomerate based on the prudence principle.
- b. To ensure that the risk management process can minimize the possibility of negative impacts caused by the dependency of a FSI, directly or indirectly, to other FSI in one Financial Conglomerate.

Types of inter-group transactions

Inter-group transaction risk can arise from, among others:

- a. Cross ownership between FSI in Financial Conglomerate.
- b. Centralized management of short-term liquidity.
- c. Collateral, loans, and commitments given or obtained by an FSI from other FSI in the Financial Conglomerate.
- d. Exposure to controlling shareholders, including loan exposure and off-balance sheet exposures, such as guarantees and commitments.
- e. Purchase or sale of assets to other FSI in one Financial Conglomerate.
- f. Risk transfer through reinsurance.
- g. Transaction to shift third party risk exposure between FSI in the Financial Conglomerate.

Scope of inter-group transaction risk management policy

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

- a. Supervision of the Board of Commissioners and Board of Directors.
- b. Adequacy of inter-group transaction policies, procedures, and determination of risk limits.

- c. Adequacy in the process of identification, measurement, monitoring, and risk control, as well as the inter-group transaction risk management information system.
- d. A comprehensive internal control system for the implementation of inter-group transaction risk management.

VI. SUPERVISION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

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

Authority and responsibility of the Board of Commissioners

The authority and responsibilities of the Board of Commissioners in the implementation of inter-group transaction risk management include:

- a. Approve the inter-group transaction risk management policies.
- b. Evaluate the accountability of the Board of Directors and provide improvement directives for the implementation of inter-group transaction risk management policies.

Authority and responsibility of the Board of Directors

Authority and responsibilities of the Board of Directors in the management of inter-group transaction risk include:

- a. Understand the inherent risks of inter-group transactions in the Financial Conglomerate.
- b. Formulate and establish the inter-group transaction risk management policies.
- c. Responsible for the implementation of inter-group transaction risk management.
- d. Ensure that each entity in the Financial Conglomerate implements inter-group transaction risk management.
- e. Monitor the risk of inter-group transactions regularly.
- f. Develop a risk culture as part of the implementation of inter-group transaction risk management.
- g. Ensure that the implementation of inter-group transaction risk management is free from conflicts of interest between the Financial Conglomerate and individual FSI.

VII. ADEQUACY OF INTER GROUP TRANSACTION POLICIES, PROCEDURES, AND DETERMINATION OF RISK LIMITS

Inter-group transaction policies, procedures, and determination of risk limits refer to policies, procedures, and limit determination as stated in the Integrated Risk Management Basic Policy.

Risk appetite and risk tolerance

The risk appetite and risk tolerance in inter-group transactions are described as follow.

- a. Risk appetite is the risk that is willing to be taken in the effort to achieve targets in an integrated manner. The risks willing to be taken are reflected in the business strategies and objectives.
- b. Risk tolerance is the maximum level of risk that is willing to be taken.
- c. The risk appetite and risk tolerance must be in line with the business strategy, risk profile, and capital plan of the Financial Conglomerate.

Policy and Procedure

Several matters that need to be considered in the policies and procedures related to the risk of inter-group transaction include:

- a. Financial Conglomerate policy must comply with the applicable regulations relating to inter-group transactions.
- b. Financial Conglomerate must ensure the fulfillment of the arm's length (fairness of transaction) principle relating to inter-group transactions.
- c. Inter-group transaction risk management procedures contain at least:
 - 1) Accountability and clear level of delegation of authority in the implementation of inter-group transaction risk management
 - 2) Implementation of periodic reviews on the procedures
 - 3) Adequate documentation of procedures, namely complete and easy written documentation for audit trail.

Inter-group transaction risk limits

The Financial Conglomerate must ensure that the establishment of inter-group transaction limits is in accordance with the applicable regulatory provisions.

VIII. ADEQUACY IN THE PROCESS OF IDENTIFICATION, MEASUREMENT, MONITORING, AND RISK CONTROL, AS WELL AS THE INTER-GROUP TRANSACTION RISK MANAGEMENT INFORMATION SYSTEM

In the implementation of inter-group transaction risk management, BCA as the Main Entity is required to conduct the process of identification, measurement, monitoring and risk control to all significant risk factors in an integrated manner, and supported by an adequate inter-group transaction risk management information system.

Identification of Inter-Group Transaction Risks

Inter-group transaction risk identification is carried out through:

- a. Identification of the composition of inter-group transactions in the Financial Conglomerate.
- b. Identification of transaction documentation and arm's length.
- c. Identification of other information.

Measurement of Inter-Group Transaction Risk

Measurement of the inter-group transaction risk aims to rank the risk level of inter-group transaction of the Financial Conglomerate. In addition, BCA as the Main Entity is required to prepare the inter-group transaction risk profiles in an integrated manner with members of the Financial Conglomerate.

The following are measurements that must be conducted to obtain the risk profile for integrated inter-group transactions:

Measurement	Description	Measurement Result
Inherent risk	In determining the inherent risk level, the Main Entity must conduct a comprehensive analysis using all relevant quantitative and qualitative indicators. Covering three aspects: 1. Composition of inter-group transactions in the Financial Conglomerate 2. Documentation and obligation of transaction 3. Other information.	1. Low 2. Low to Moderate 4. Moderate 5. Moderate to High 6. High
Quality of risk management implementation	Measurement of the quality implementation of integrated risk management. Covering four aspects: 1. Supervision of the Board of Commissioners and Board of Directors. 2. Adequacy of inter-group transaction policies, procedures, and determination of risk limits. 3. Adequacy in the process of identification, measurement, monitoring, and risk control of inter-group transaction risk management. 4. A comprehensive internal control system for the implementation of inter-group transaction risk management.	1. Strong 2. Satisfactory 3. Fair 4. Marginal 5. Unsatisfactory

Risk rating

Risk rating is a combination of the inherent risk measurement and the quality of risk management implementation results.

Mapping of the inter-group transaction risk rating can be viewed in the following matrix:

Result of Assessment Rank of Level Integrated Risk		Rank of Risk Management Implementation Quality (KPMR)				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Rank Risk Inherent in Integrated Manner	Low	Low	Low	Low to Moderate	Moderate	Moderate
	Low to moderate	Low	Low to Moderate	Low to Moderate	Moderate	Moderate to High
	Moderate	Low to Moderate	Low to Moderate	Moderate	Moderate to High	Moderate to High
	Moderate to high	Low to Moderate	Moderate	Moderate to High	Moderate to High	High
	High	Moderate	Moderate	Moderate to High	High	High

Monitoring of Inter-Group Transaction Risk

Monitoring of inter-group transaction risk is carried out by considering the following:

- Composition of inherent risk parameters in intra-group transactions in the integrated risk profile report.
- Complete documentation of inter-group transactions.
- Adequacy of the inter-group transaction
- Other information relating to inter-group transactions.

Control of Inter-Group Transaction Risk

The control of inter-group transaction risk is carried out by ensuring:

- Adequacy of inter-group transaction of the Financial Conglomerate.
- Existence of documentation for every inter-group transaction.
- Every inter-group transaction must meet the prevailing law/regulator provisions.

Inter-group transaction risk information management system

The internal control system for inter-group transaction risk refers to internal control as stated in the basic integrated risk management policy.

IX. A COMPREHENSIVE INTERNAL CONTROL SYSTEM FOR THE IMPLEMENTATION OF INTER-GROUP TRANSACTION RISK MANAGEMENT

Internal control system for inter-group risk transaction referred to the internal control as stipulated under the Integrated Risk Management Main Policy.

The process of implementing effective inter-group transaction risk management must be complemented by a comprehensive internal control system. Effective implementation of internal control system is expected to be able to safeguard the assets of the Financial Conglomerate, ensure the availability of reliable reporting, increase compliance with the laws and regulations, and reduce the risk of losses, irregularities and violations of the prudence aspect.

The implementation of the internal control system is as follows:

- a. BCA is required to implement an inter-group transaction risk internal control system effectively by referring to the established policies and procedures.
- b. The internal control system was structured to ensure:
 - 1) Compliance with internal policies or provisions as well as laws and regulations.
 - 2) The effectiveness of risk culture in the Financial Conglomerate organization as a whole to identify weaknesses and deviations early and to reassess the fairness of policies and procedures in the Financial Conglomerate on an ongoing basis.
- c. Review of the measurement of inter-group transaction risk, including:
 - 1) Conformity of policy, organizational structure, resource allocation, design of inter-group transaction risk management processes, information system, and risk reporting in accordance with the business needs of the Financial Conglomerate, as well as the development of regulations and best practices related to inter-group transaction risk management
 - 2) Complete and adequate documentation on the scope, operational procedures, audit findings, and responses of the management of the Financial Conglomerate based on audit results.

X. REPORT OF THE COMPANY'S GOOD CORPORATE GOVERNANCE IMPLEMENTATION AT BCA

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 concerning the The Implementation of Governance for Commercial Banks, consist of:

A. Corporate Governance Implementation Disclosures include:

1. Implementation of Duties of the Board of Directors and the Board of Commissioners are as follows:

Number and Composition of the 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 Article 4 of OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Corporate Governance for Commercial Banks, states that Banks are required to have at least three members of the Board of Directors.

As of December 31, 2019, the number of members of the Board of Directors of BCA was eleven people consisting of:

- 1 (one) President Director;
- 2 (two) Deputy President Directors;
- 1 (one) Compliance Director;
- 1 (one) Independent Director; and
- 6 (six) other Directors.

From the above composition, BCA has a member of the Board of Directors who also serves as the Compliance Director. The President Director is independent from the controlling shareholders.

BCA has also appointed an Independent Director who has the duty and responsibility to supervise regional and branch management, network management and regional development, and procurement.

The term of office of the Board of Directors of BCA will expire at the closing of the fifth annual GMS held after the GMS appointing the relevant member of the Board of Directors, without reducing the authority of the GMS to dismiss one or more members of the Board of Directors at any time before the position ends. BCA Articles of Association state that members of the Board of Directors whose term of service has ended can be reappointed.

All members of the Board of Directors of BCA have obtained approval from Bank Indonesia or the OJK and have passed the fit and proper test before performing their duties and functions. It is in accordance with the provisions of the regulator regarding the fit and proper test.

Name	Position	No. Letter of Agreement
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011
Suwignyo Budiman	Deputy President Director	38/KDK.03/2019 dated August 14, 2019
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016
Subur Tan	Director	4/69/DpG/DPIP/Rahasia dated August 13 2002
Henry Koenaifi	Director	10/32/DPB3/TPB3-2 dated February 13 2008
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Rahasia dated August 25, 2011
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016
Inawaty Handojo	Director (concurrently Compliance Director)	39/KDK.03/2019 dated August 14, 2019
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018

All members of the Board of Directors who have met the requirements and passed the fit and proper test are domiciled in Indonesia as stipulated in Article 4 of the OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Corporate Governance for Commercial Banks.

In 2019, BCA underwent a change in the composition of the Board of Directors based on the decision of the third agenda of 2019 Annual GMS. Changes in the composition of the Directors can be seen in the general meeting of shareholders section of this annual report. The composition of the BCA Board of Directors in 2019 has been included in the Deed of Decision of the Meeting of PT Bank Central Asia Tbk No. 100 dated October 10, 2019, made before Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta.

Composition of the Board of Directors of BCA in 2019:

No	Position	Name	Period
1.	President Director	Jahja Setiaatmadja	2016-2021
2.	Deputy President Director*	Suwignyo Budiman**	2019-2021
3.	Deputy President Director	Armand Wahyudi Hartono	2016-2021
4.	Director	Tan Ho Hien/ Subur/ Subur Tan	2016-2021
5.	Director	Henry Koenaifi	2016-2021
6.	Independent Director	Erwan Yuris Ang	2016-2021
7.	Director	Rudy Susanto	2016-2021
8.	Director	Lianawaty Suwono	2016-2021
9.	Director (concurrently Compliance Director)	Inawaty Handojo**	2019-2021
10.	Director	Santoso	2016-2021
11.	Director	Vera Eve Lim	2018-2021

Remarks:

* : from January 1, 2019 to April 11, 2019 was assumed by Eugene Keith Galbraith.

** : assuming the role since October 3, 2019

Criteria for the Board of Directors

Those who may be appointed as a member of the Board of Directors are individuals who meet the criteria and requirements in accordance with:

- a. OJK Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies namely to:
 - 1) Have good ethics, morals, and integrity
 - 2) Be proficient in performing legal actions
 - 3) Within 5 (five) years before appointment and during the term of office:
 - a) Not have been declared bankrupt

- b) Not have been a member of a Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt
 - c) Not have been punished for committing a crime detrimental to state finances or relating to the financial sector
 - d) Not have been a member of a Board of Directors or Board of Commissioners in which during his/her term of office:
 - Did not organize an Annual GMS
 - Had his/her accountability as a member of the Board of Directors or Board of Commissioners not accepted by the GMS or he/she did not submit his/her accountability as a member of the Board of Directors or Board of Commissioners to the GMS.
 - Have caused a company that obtained license, approval or registration from the OJK to not fulfil the obligation to submit annual report and/or financial report to the OJK.
 - 4) Have a commitment to comply with laws and regulations.
 - 5) Have knowledge and/or expertise in the fields required by the company.
- b. Article 6 of OJK Regulation No. 55/ POJK.03/2016 concerning the Implementation of Governance for Commercial Banks, each member of the Board of Directors must meet the requirements for fit and proper test in accordance with OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions, which includes:
- 1) Integrity requirements, including:
 - a) Be capable of carrying out legal actions.
 - b) Have good character and morals, at least shown by the compliance with the prevailing provisions, including never having been convicted of a crime in a certain period before being nominated.
 - c) Have a commitment to comply with laws and regulations and support OJK policies.
 - d) Be committed to the development of healthy financial services institution.
 - e) Not be included as a party that is prohibited from being a main party.
 - 2) Financial reputation requirements, at least evidenced by:
 - a) Does not have bad credit and/or financing.
 - b) Have never been declared bankrupt and/or have never been a shareholder, controlling party of insurance company, that are not shareholders member of the Board of Directors, or member of the Board of Commissioners found guilty of causing a company to go bankrupt in the last 5 (five) years before being nominated.

Independence of the Board of Directors

The majority members of the Board of Directors of BCA has no financial, management, share ownership, and/or family relationship up to the second degree with other fellow members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders. In addition, the majority of members of the Board of Directors of BCA also has no relationship with BCA that may influence his/her ability to act independently.

Number and Composition of the Members of the Board of Commissioners

OJK Regulation No. 55 / POJK.03 / 2016 concerning the Implementation of Governance for Commercial Banks	Implementation at BCA
Have at least three people and at most the same as the number of members of the Board of Directors.	There are 5 (five) members of the Board of Commissioners.
Have at least one member of the Board of Commissioners domiciled in Indonesia.	All members of the Company's Board of Commissioners are domiciled in Indonesia.
Have Independent Commissioner of at least 50% of the total members of the Board of Commissioners.	The number of Independent Commissioners of the Company is 3 (three) people or 60% (sixty percent) of the total members of the Board of Commissioners.

As of December 31, 2019, BCA had 5 (five) members of the Board of Commissioners, consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners, and 1 (one) Non-Independent Commissioner. The number of members of the Board of Commissioners of BCA does not exceed the number of members of the Board of Directors of BCA. The number of BCA Independent Commissioners has fulfilled the provisions exceeding 50% (fifty percent), or specifically 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 accordance with BCA's Articles of Association, the term of office of members of the Board of Commissioners is 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 2021. The GMS still has the authority to dismiss one or more members of the Board of Commissioners at any time before his term ends.

Independent Commissioners who have served for two consecutive terms of office can be reappointed in the next period as Independent Commissioners with the following conditions:

- The meeting of the members of the Board of Commissioners considers that the Independent Commissioners could still act independently.
- The Independent Commissioner stated in the GMS regarding the independency concerned.

BCA has Independent Commissioners who have been appointed for more than 2 (two) periods, namely Cyrillus Harinowo and Raden Pardede. Both of them have made an independent declaration which was read at the time of the appointment of Independent Commissioner members at the 2016 BCA Annual General Meeting. The contents of the declaration of independence can be seen in the independent commissioner's statement section of this Annual Report.

All members of the Board of Commissioners of BCA have obtained approval from Bank Indonesia or the OJK and have passed the fit and proper test before carrying out their duties and functions. This is in accordance with the provisions of the regulator regarding the fit and proper test.

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

In 2019 there was no change in the composition of the Board of Commissioners, so in this Annual Report BCA does not present the reasons for the change in the composition of the Board of Commissioners. The composition of the BCA Board of Commissioners' membership in 2019 is contained in the The Meeting Resolution Deed of PT Bank Central Asia Tbk No. 100 dated October 10, 2019, made before Christina Dwi Utami, S.H. M.Hum., M.Kn., Notary in Jakarta.

The composition of BCA's Board of Commissioners in 2019

Position	Name	Position Period
President Commissioner	Djohan Emir Setijoso	2016 – 2021
Commissioner	Tonny Kusnadi	2016 – 2021
Independent Commissioner	Cyrellus Harinowo	2016 – 2021
Independent Commissioner	Dr. Ir. Raden Pardede	2016 – 2021
Independent Commissioner	Sumantri Slamet	2016 – 2021

Criteria for Members of the Board of Commissioners

BCA Board of Commissioners members are individuals who meet the criteria and requirements according to:

- a. OJK Regulation No. 33/POJK.04/2014 on the Directors and Board of Commissioners of Issuers or Public Companies, which requires that members of the Board of Commissioners must:
 - 1) Have good character, morals and integrity
 - 2) Be competent in carrying out legal actions
 - 3) Within 5 (five) years before appointment and during their tenure:
 - a) Have never been declared bankrupt.
 - b) Have never been a member of the Board of Directors and/or a Board of Commissioners who was found guilty of causing a company to go bankrupt.
 - c) Have never been convicted of a criminal offense that is detrimental to the state finances and/or related to the financial sector.
 - d) 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 members 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 member of the Board of Commissioners to the GMS.
 - Had caused a company obtaining permits, approvals, or registrations from OJK fail to comply with the obligation to submit Annual Reports and/or financial reports to OJK.
 - 4) Has the commitment to comply with laws and regulations.
 - 5) Has knowledge and/or expertise in the fields required by Issuers or Public Companies.
- b. Based on Article 27 of OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, each member of the Board of Commissioners must meet the requirements for fit and proper test in accordance with OJK Regulation No. 27/POJK.03/2016 on The Fit and Proper Test for Main Parties of Financial Services Institutions, which among others state that:
 - 1) Integrity requirements, including:

- a) Capable of carrying out legal actions.
 - b) Has good character and morals, at least shown by the attitude of complying with applicable provisions, including have never been convicted of a crime in a certain period before being nominated.
 - c) Has a commitment to comply with laws and regulations and uphold OJK policies
 - d) Has a commitment towards the development of a healthy financial services institution
 - e) Not included as a individual principal prohibited from being a party.
- 2) Financial reputation requirements, at least evidenced by:
- a) Not having bad credit and/or non performing loan.
 - b) Has never been declared bankrupt and/or has never been a shareholder, controller of an insurance company who is not a shareholder, 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.

Independence of the Board of Commissioners

All members of the Board of Commissioners of BCA have no financial 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 relationship with BCA that may influence their ability to act independently.

Duties and responsibilities of the Board of Directors

BCA's Articles of Association and other regulations set out duties and responsibilities of the Board of Directors as follows:

- a. Lead and manage BCA in accordance with the purposes and objectives of the Articles of Association.
- b. Control, maintain, and manage BCA's assets for the benefit of BCA.
- c. Create internal control structure, ensure the implementation of the internal audit function at every level of management, and follow up on internal audit findings in accordance with policies or directions given by the Board of Commissioners.
- d. Submit Annual Work Plan which also includes the Annual Budget to the Board of Commissioners for approval, prior to the commencement of the forthcoming financial year, taking into account applicable regulations.
- e. Implement the Good Corporate Governance principles in every BCA's business activities at all levels and stages of the organization.
- f. Establish Integrated Risk Management Committee.
- g. Evaluate the performance of the committee under the Board of Directors at the end of each financial year.
- h. Conduct the Board of Directors' meetings regularly, at least once each month.
- i. Record minutes of Board of Directors meetings and have them signed by all members of the Board of Directors present at the Board Directors' meeting.
- j. Distribute copies of the minutes of meetings of the Board of Directors meeting to all members of the Board of Directors and related parties.
- k. Conduct meetings of the Board of Directors together with the Board of Commissioners in accordance with regulations.

- l. Hold and keep the list of shareholders, special list, minutes of General Meeting of Shareholders, and minutes of Board of Directors' meetings.
- m. Prepare Annual Report and other company documents as referred to in the applicable laws and regulations.
- n. Follow up on audit findings and recommendations from external auditors, the results of supervision of OJK, Bank Indonesia and/or the results of supervision of other authorities including but not limited to the Indonesia Stock Exchange.
- o. Responsible for carrying out its duties and responsibilities to shareholders through the GMS.

Throughout 2019, the Board of Directors did not grant general power of attorney to employees or other parties related to their duties and functions, as stipulated in OJK Regulations related to Governance.

The duties and responsibilities of the Board of Commissioners

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

- a. Supervise and be responsible for overseeing the management policies of BCA and the running management in general, as well as giving advice to the Board of Directors. The Board of Commissioners conducts supervision in the interest of BCA, in accordance with the purposes and objectives of the BCA Articles of Association
- b. Ensure the implementation of the principles of the Good Corporate Governance are carried out in every business activity at all levels of BCA organization, at least through:
 - Implementation of the duties and responsibilities of the Board of Commissioners and Directors.
 - Completeness and implementation of duties of committees and work which carries out that the Bank's internal control functions.
 - Implementation of the compliance, internal auditor and external auditor functions.
 - Application of risk management, including internal control systems.
 - Provision of funds to related parties and provision of large funds.
 - Bank's strategic plan.
 - Transparency of the Bank's financial and non-financial conditions.
 - Approve and periodically review the Bank's vision, mission and core values.
- c. Directing, monitoring and evaluating the implementation of BCA's strategic policies.
- d. 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 authorities, including but not limited to OJK, Bank of Indonesia, and/or the Indonesia Stock Exchange.
- e. Notifying OJK/Bank Indonesia no later than 7 (seven) working days since the violation of laws and regulations in the financial and banking sector has been discovered, and/or circumstances or predicted condition that may endanger the business continuity of BCA.
- f. Establish supporting committee for the effectiveness of Board of Commissioners' in performing its duties and responsibilities:
 - 1) Audit Committee.
 - 2) Risk Oversight Committee.
 - 3) Remuneration and Nomination Committee.
 - 4) Integrated Governance Committee.

The Board of Commissioners must ensure that the committees established perform their duties effectively and evaluate the performance of the committees that help carry out The Board of Commissioners duties and responsibilities at the end of the financial year.

- g. Ensure that the committees established by the Board of Commissioners carry out their duties effectively.
- h. Provide sufficient time to carry out their duties and responsibilities optimally.
- i. Hold regular meetings of the Board of Commissioners in accordance with applicable laws and regulations.
- j. Prepare minutes of the Board of Commissioners' meetings, signed by all members of the Board present at the meeting.
- k. Distribute copies of the minutes of the Board of Commissioners' meeting to all members of the Board and related parties.
- l. Hold regular meetings with the Directors at least 1 (one) time every 4 (four) months.
- m. Submit reports on supervisory tasks that have been carried out during the previous financial year to the Annual GMS and set forth in the Annual Report.
- n. Supervise the implementation of Integrated Governance.
- o. Approved the Sustainable Financial Action Plan prepared by the Directors.

Duties and Responsibilities of President Commissioner

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

- a. Lead the Board of Commissioners in carrying out supervisory and assurance duties.
- b. Coordinate the implementation of the duties and responsibilities of the Board of Commissioners.
- c. Propose to hold Board of Commissioners meetings, including meeting agendas.
- d. Make call and lead the Board of Commissioners' meeting.
- e. Submit a supervisory report to obtain the approval of the Annual GMS for the implementation of the duties and supervision of the Board of Commissioners.
- f. Ensure that the implementation of the responsibilities of the Board of Commissioners has been carried out according to procedure.
- g. Ensure that meetings of the Board of Commissioners make decisions effectively based on true and complete information, including ensuring that:
 - All strategic and important issues are taken into consideration by the Board of Commissioners.
 - Problems are discussed carefully and thoroughly.
 - All members of the Board of Commissioners are given the opportunity to contribute effectively.
 - Each member of the Board of Commissioners receives relevant information in a timely manner, including a brief explanation of the issues that will be discussed at the Board of Commissioners' meeting.
 - Meetings of the Board of Commissioners produces clear decisions and are recorded in the minutes.
- h. Ensure that the Board of Commissioners behaves in accordance to the Board of Commissioners Charter.
- i. Strive to meet the development needs of the Board of Commissioners.
- j. Conduct a final evaluation, taking into account the recommendations of the Remuneration and Nomination Committee, on the results of the collective evaluation of the Board of

Commissioners and its Committees and the evaluation of individual members of the Board of Commissioners and committee members.

In carrying out their duties, responsibilities and authorities, the Board of Commissioners shall consider BCA's Articles of Association, the Board of Commissioners Charter, and prevailing legislation.

The Board of Commissioners conducts their duties and responsibilities independently.

Implementation of Duties of the Board of Commissioners

The Board of Commissioners carries out supervisory duties to ensure that the Company's business goes in the right direction, maintains business sustainability and provides added value to all stakeholders. The Board of Commissioners provides recommendations and advice to the Board of Directors in relation to their supervisory duties, including recommendations, advice and assessments related to the implementation of good corporate governance in the Company.

The Board of Commissioners' advice and recommendations to the Board of Directors are as follows:

Topic	Summary
Business Strategy and Management	<ul style="list-style-type: none"> The Board of Commissioners along with the Board of Directors regularly reviewed and assessed the Bank's performance and the competition landscape in banking industry. The Board of Commissioners gave guidance as well as approval on the Bank's corporate actions, including among others the decision on dividend payouts, plan and follow up on the acquisitions process.
Risk Management	<ul style="list-style-type: none"> The Board of Commissioners emphasized to maintain the solid liquidity positions as one of the Banks priority. Direction to performed reviews on certain industries consistent with the latest development of macroeconomic. The Board of Commissioners put high attention on potential Bank's strategic risks and ask for an assessment and mitigation plans on those risks. In relation to the implementation of integrated risk management, the Board of Commissioners always focus on the importance of monitoring the interdependence risks among entities within BCA's financial conglomeration.
Audit and Compliance	<ul style="list-style-type: none"> The implementation of the duties and responsibilities of the Board of Commissioners are aligned with the latest laws/regulations. The Board of Commissioners put attention to the rescheduling of audit results' follow ups that requires its consent, while ask to submit the proposal before the deadline. Emphasize the importance of the quality of audit process and institution in each subsidiary regarding the implementation of integrated internal audit.

2. Adequacy and implementation of duties of the Committees

Committees under the Board of Commissioners

a. Structure, membership, and independence of the Audit Committee (AC) Members

- The Audit Committee comprises 3 (three) members as follows:
 - 1 (one) Independent Commissioner concurrently as Head of Audit Committee;
 - 1 (one) Independent Party having expertise in finance/accounting; and
 - 1 (one) Independent Party having expertise in banking.
- Composition of the Audit Committee as of 31 December 2019:

Name	Position
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)
Ilham Ikhsan	Member (Independent Party)
Tjen Lestari	Member (Independent Party)

- The Company's Audit Committee has already complied with the prevailing regulations and has been appointed based on the Board of Directors Decision Letter Number

078/SK/DIR/2016 dated 2 June 2016 and the Board of Commissioners meeting resolutions Number 23/RR/KOM/2016 dated 1 June 2016.

- All members of the Audit Committee are independent parties, not having financial and management relationship, share ownership, and/ or family relationships with members of the Board of Commissioners, Board of Directors, and/or controlling shareholders, or business relationships with the BCA that may influence their ability to act independently.

Structure, membership, and independence of the Risk Oversight Committee (ROC) Members

- The Risk Oversight Committee comprises 3 (three) members as follows:
 - 1 (one) Independent Commissioners concurrently Chairman of Risk Oversight Committee;
 - 1 (one) Independent Party having expertise in risk management;
 - 1 (one) Independent Party having expertise in finance.
- Composition of Risk Oversight Committee per December 31, 2019 is as follows:

Name	Position
Sumantri Slamet	Chairman (concurrently as Independent Commissioner)
Endang Swasthika Wibowo	Member (Independent Party)
Lianny Somyadewi D.	Member (Independent Party)

- The appointment of members of Risk Oversight Committee of the BCA was made based on Decision Letter of the Board of Director Number 144A/SK/DIR/2016 dated 30 September 2016, based on Board of Commissioners meeting resolutions Number 40/RR/KOM/2016 dated 28 September 2016.
- All members of Risk Oversight Committee are independent parties, not having financial relationship, management relationship, share ownership and/ or family relationship with members of Board of Commissioners, Board of Directors, and/ or Controlling Shareholders, or having business relationship with the Company that may influence their ability to act independently.

Structure, membership, and independence of the Remuneration and Nomination Committee (RNC) Members

- The Company's Remuneration and Nomination Committee comprises 3 (three) members as follows:
 - 1 (one) Independent Commissioner as Chairman of Remuneration and Nomination Committee;
 - The President Commissioner; and
 - 1 (one) Executive Officer in charge of the Human Capital Management Division (Human Resources). The Executive Officer is knowledgeable of remuneration and/or nomination system and succession plan.
- Composition of Remuneration and Nomination Committee Members as of 31 December 2019:

Name	Position
Raden Pardede	Chairman (concurrently as Independent Commissioner)
Djohan Emir Setijoso	Member (concurrently as President Commissioner)
Hendra Tanumihardja	Member (concurrently as Head of Human Capital Management Division)

- The appointment of Remuneration and Nomination Committee members is undertaken by

Board of Directors with its Decision Letter Number 107A/SK/DIR/2016 dated 10 August 2016 based on Board of Commissioners meeting resolution Number 31/RR/KOM/2016 dated 10 August 2016. The composition of the Remuneration and Nomination Committee are in accordance with the Financial Services Authority Regulation No. 34/POJK.04/2014 on The Nomination and Remuneration Committee Issuers or Public Companies.

- The independence aspect of the Remuneration and Nomination Committee members have been achieved according to the terms and conditions, namely not having financial and management relationship, share ownership and/or family relationship with members of Board of Commissioners, Board of Directors, and/or Controlling Shareholders, or business relationship with the BCA that may influence their ability to act independently. The members of the Remuneration and Nomination Committee are independent parties in fulfilling their duties throughout 2019.

Structure, membership, and independence of the Integrated Governance Committee (IGC) Members

- Membership of the committee at least must consist of:
 - An Independent Commissioner from the BCA (Main Entity) as the chairman concurrently as member;
 - Independent Commissioners that representing and appointed by the Financial Services Institution in the Financial Conglomerate as member;
 - An Independent Party as member; and
 - Member of the Sharia Supervisory Board from of the Financial Services Institution in the Financial Conglomerates, as member.
- Membership Composition of Integrated Governance Committee as of 31 December 2019:

Name	Position
Sumantri Slamet	Chairperson (concurrently independent commissioner of main entity)
Wimpie Rianto	Members (independent main entity)
Sulistiyowati	Member (independent commissioner of PT BCA Finance)
Gustiono Kustianto	Member (independent commissioner of BCA General Insurance)
Pudjianto	Member (independent commissioner of PT BCA Life Insurance)
Suyanto Sutjiadi	Member (Independent Commissioner of PT Bank BCA Syariah)
Sutedjo Prihatono	Member (Member of sharia supervisory board of PT Bank BCA Syariah)
Rudy Harjono	Member (BCA Finance Limited independent director)
Mendari Handaya	Member (independent commissioner of PT BCA Multi Finance formerly PT Central Santosa Finance)
Hendra Iskandar Lubis	Member (independent commissioner of PT BCA Sekuritas)

- The Number and Composition of Independent Commissioners serving as members of the Integrated Governance Committee have been adjusted to the needs of the Financial Conglomerate as well as the efficiency and effectiveness of duties implementation of the Integrated Governance Committee by at least taking into accounts the representation of each financial services sector.

b. Duties and Responsibilities of the Committees Under The Board of Commissioners

Duties and Responsibilities of the Audit Committee

In carrying out its function, the AC has the following duties and responsibilities:

1. Provide recommendations to the Board of Commissioners pertaining to the preparation of the audit plan, scope and budget of the internal audit division (DAI).

2. Monitor and review the Bank's internal audit.
3. Evaluate DAI's performance to see if the internal audit function at BCA is adequate and effective, and ensure the DAI upholds integrity in discharging its duties. To also provide recommendations to the Board of Commissioners on the DAI annual reward and remuneration for its overall performance.
4. Ensure DAI communicates with the Board of Directors, the Board of Commissioners, the external auditor, the OJK and BI.
5. Ensure DAI works independently.
6. Monitor implementation of good corporate governance (GCG) to see if it is effective and sustainable.
7. Ensure the Board of Directors takes the necessary and immediate actions on the findings by DAI, public accountants, and the results of supervision conducted by the OJK and BI.
8. Oversee the audit work performed by the public accounting firm, on the following aspects:
 - a. Conformity of audit implementation by the public accountant office to the applicable audit standards.
 - b. Conformity of financial statements to the applicable accounting standards.
 - c. Give independent opinions in case of disagreements on opinions between the management and the public accounting firm on the services they provide.
9. Review all financial information to be released by BCA to the public and/or the authorities, and other financial-related information.
10. Review BCA's compliance with regulations of the banking industry, the capital market and other applicable laws and regulations, as well as other provisions on BCA's business.
11. Provide recommendations based on evaluation results to the Board of Commissioners on the appointment, reappointment, and dismissal or replacement of the public accounting firm (PAF) and/or public accountant (PA) who will audit the BCA's financial statements based on independency, the scope of the assignment, and fee for the audit work.
12. Provide recommendations to the Board of Commissioners to appoint independent quality controllers from external parties with the aim of conducting a review of DAI.
13. Analyze and report to the Board of Commissioners on any complaint that may relate to the BCA's accounting and financial reporting processes.
14. Analyze and give advice to the Board of Commissioners on conflicts of interest that may occur at BCA.
15. Carry out other tasks relevant to the function of the audit committee at the request of the Board of Commissioners.
16. Keep the confidentiality of BCA's documents, data and information.

Duties and Responsibilities of the Risk Oversight Committee

1. Assisting and giving recommendations to the Board of Commissioners in order to improve the effectiveness of oversight duties and responsibilities in risk management and ensuring that risk management policies are properly implemented.
2. In regard with the process to provide recommendation, the Risk Oversight Committee should:
 - a. Evaluate the consistency between risk management policies and policy implementation.
 - b. Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit.
3. Composing and/ or updating Risk Oversight Committee's charter and code of conduct.

4. Administer other duties that are relevant with the oversight function as requested by the Board of Commissioners.

Duties and Responsibilities of the Remuneration and Nomination Committee

1. To evaluate the remuneration and nomination policies of the Company.
2. To give recommendations to the Board of Commissioners on:
 - a. Remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders of the Company.
 - b. Remuneration policy for all Executive Officers and employees to be delivered by the Board of Commissioners to the Board of Directors.
3. To develop and recommend the selection and/ or replacement systems and procedures of the members of Board of Commissioners and Board of Directors to the Board of Commissioners, to be further submitted to the GMS.
4. To ensure that the remuneration policies of the Company are in accordance with:
 - a. Financial performance and fulfillment of reserve as governed under the prevailing laws and regulations;
 - b. Individual work performance;
 - c. Fairness based on peer group;
 - d. Mid-term/long-term targets and strategies of the Company.
5. To advise the Board of Commissioners regarding prospective Commissioners and /or prospective Directors to be submitted to the GMS.
6. To recommend independent parties as prospective members of Audit Committee and Risk Oversight Committee to the Board of Commissioners.
7. To review the policies regarding facilities provided for the Board of Commissioners and Board of Directors.
8. To conduct other tasks as assigned by the Board of Commissioners related to remuneration and nomination in accordance with the prevailing provisions.
9. To report needed to the Board of Commissioners the result of reviews and recommendations with regard to the tasks of the Remuneration and Nomination Committee.

In addition, pursuant to Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies, the Remuneration and Nomination Committee has the following duties and responsibilities:

- **Relating to Nomination function:**

1. Providing recommendations to the Board of Commissioners on:
 - a) composition of Board of Directors and/or Board of Commissioners;
 - b) policies and criteria required in Nomination process; and
 - c) performance evaluation policy for Board of Directors and/or Board of Commissioners.
2. Assisting the Board of Commissioners to assess the performance of Board of Directors and Board of Commissioners based on pre-established benchmarks as the evaluation material.
3. Providing recommendations to the Board of Commissioners on the competence development for Board of Directors and/or Board of Commissioners.

4. Nominating the candidates for Directors and/or Commissioners to the Board of Commissioners to be submitted to the GMS.

- **Relating to Remuneration function:**

1. Providing recommendations to the Board of Commissioners on:
 - a) Remuneration structure;
 - b) Remuneration policy; and
 - c) Amount of remuneration.
2. Assisting the Board of Commissioners to assess the performance compatibility with the Remuneration received by each of Board of Directors and Board of Commissioners.

Duties and Responsibilities of the Integrated Governance Committee:

1. Evaluate the implementation of Integrated Governance at least through assessing the adequacy of internal controls and implementing the compliance function in an integrated manner.
2. Provide recommendations to the Board of Commissioners of the Company as the Main Entity in the Financial Conglomerate to improve the Integrated Governance Guidelines.

c. The Frequency of Meetings of Committee

The Frequency of Meetings of AC

The AC holds 4 (four) meetings, at the very least, in a year as stipulated in Decree of the Board of Commissioner No. 117/SK/KOM/2019 on the Audit Committee Charter of PT Bank Central Asia, Tbk. During 2019, the BCA's audit committee convened 21 (twenty one) meetings.

Delivery of results of AC meetings as follows:

- a. Results of audit committee meetings should be stated in the minutes of the meeting and properly documented.
- b. Dissenting opinions that occur in the meetings of the committee should be clearly stated in the minutes of the meeting, along with the reasons behind such dissent.

Attendance of AC's members in the meeting conducted throughout 2019 is as follows:

Name	Number of Meetings	Attendance	Percentage
Cyrellus Harinowo	21	21	100%
Ilham Ikhsan	21	20	95%
Tjen Lestari	21	21	100%

The Frequency of Meetings of ROC

ROC meetings are held at least 4 (four) meetings a year, as stipulated in the committee's charter. During 2019, the ROC held 14 (fourteen) meetings. For each meeting, there are minutes that state the dates of meetings, attendance of the ROC members, agenda, and meeting materials.

The list of ROC meeting attendance during 2019, are as follows:

Name	Number of Meetings	Attendance	Percentage
Sumantri Slamet	14	14	100%
Endang Swasthika Wibowo	14	14	100%
Lianny Somyadewi D.	14	14	100%

The Frequency of Meetings of RNC

The RNC holds meetings in accordance with the needs of the BCA, at the very least once every four months, as stipulated in the Financial Services Authority Regulation No. 34/POJK.04/2014 dated December 8, 2014 on Nomination and Remuneration Committee of Issuers or Public Companies. In 2019, RNC held 5 (five) meetings.

Minutes are prepared for each RNC meeting, describing the date of meetings, attendance of RNC members, meeting agenda, and meeting materials.

Attendance of RNC members in the meetings conducted throughout 2019 is described in the following table:

Name	Number of Meetings	Attendance	Percentage
Raden Pardede	5	5	100%
Djohan Emir Setijoso	5	5	100%
Hendra Tanumihardja	5	5	100%

Of the 5 (five) meetings, 2 (two) meetings were held to discuss nominations and 3 (three) were held to discuss remuneration.

The Frequency of Meetings Meetings of IGC

The IGC holds meetings at least 1 (one) time in 1 (one) semester as stipulated in the committee charter. During 2019, the committee currently in charge held 4 (four) meetings.

Attendance of data committee members in IGC meetings during 2019 were as follows:

Name	Number of Meetings	Attendance	Percentage
Sumantri Slamet	4	4	100%
Wimpie Rianto	4	4	100%
Adhi Gunawan Budirahardjo ^{*)}	4	1	25%
Sulistiyowati ^{**)}	4	3	75%
Gustiono Kustianto	4	4	100%
Pudjianto	4	3	75%
Suyanto Sutjiadi	4	4	100%
Sutedjo Prihatono	4	2	50%
Rudy Harjono	4	4	100%
Mendari Handaya	4	3	75%
Hendra Iskandar Lubis	4	4	100%

Note :

^{*)} Based on the GMS of PT. BCA Finance dated March 13, 2019, the term of office of Mr. Adhi Gunawan Budirahardjo has ended

^{**) Mrs. Sulistiyowati assuming the position since May 27, 2019.}

d. Realization of Work Program and Implementation Activities in 2019

Realization of Work Program and Implementation of AC Activities in 2019

The following points are the realized work programs of the AC in 2019:

- a. Convened meetings with PAF Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) to discuss the final results of the audit of the BCA's financial statements for the financial year 2018, along with the management letter.
- b. Recommended to the Board of Commissioners on reusing the PAF Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) to conduct an audit of the BCA's financial statements for fiscal year 2019.
- c. Convened meetings with Tanudiredja, Wibisana, Rintis & Rekan PAF (a member firm of PwC Global Network) to discuss the plan and scope of the audit of the BCA's financial statements for fiscal year 2019.
- d. Meeting with the finance and planning division to review the BCA's financial report, which will be published quarterly.
- e. Convened 6 (six) meetings with the Internal Audit Division to:
 - 1) Evaluate annual planning;
 - 2) Evaluate the implementation of internal audits every semester; and
 - 3) Discuss results of the audit considered significant.
- f. Attend internal audit exit meeting at 1 (one) main branch office, including 3 (three) supporting branch offices, as part of the internal audit quality assessment process. Additionally conduct review Cash Processing Center (CPC) Alam Sutera that has been operated and the Surabaya data center as part of adequacy assessment and effectiveness of its internal work units control.
- g. Reviewed internal audit reports (more than 114 reports) and monitored their follow ups.
- h. Reviewed the BCA's compliance with provisions, regulations, and applicable laws in the banking sector, through a review of reports on compliance with prudential provisions reported every semester.
- i. Reviewed credit portfolio reports issued every semester.
- j. Monitored the implementation of risk management through quarterly reports on the Company's risk profile and the monthly operation risk management information system (ORMIS) report.
- k. Conducted studies on:
 - 1) Audit results of the OJK and their follow ups, and
 - 2) Management letter from the public accounting firm Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) and its follow up.
- l. Reported the results of routine studies and evaluations of governance aspects, risk management, and compliance and control to the Board of Commissioners every quarter.
- m. Attended the GMS, analyst meeting, and national work meeting in 2020 in order to monitor the implementation of Good Corporate Governance.

Realization of Work Program of ROC in 2019

The realization of the work program of ROC during 2019 are:

- a. Monitor the implementation of the duties of the committee, and those of the Risk Management Work Unit and ITSC.
- b. Analysis on BCA's risk profile and specifically explored credit risk, operational, market, liquidity and reputation risk.
- c. Analysis on the results of stress tests of credit, market and liquidity risk.

- d. Ensured the implementation GCG was carried out well and in an appropriate manner. The committee also attended the GMS, Analyst Meeting and the Company's national convention for fiscal 2020.
- e. Monitoring of the realized implementation of risk management, specifically on risk control and limit, liquidity and market risks, and monthly operational risks.
- f. Learnt new regulations and conducted a review of the compatibility of the ROC charter with the new regulations.
- g. Monitored and reviewed the implementation of the business continuity program, by ensuring that testing, simulations, socialization have been carried out, and worked with Internal Audit Division and the internal audit division to make a review of the Surabaya data center.

Realization of Work Program of the RNC in 2019.

Throughout 2019, the RNC convened 5 (five) meetings and realized the committee's work programs as follows:

- a. Formulated recommendations for Board o Directors nominations for 2019.
- b. Formulated recommendations related to remuneration of the Board of Commissioners and/or the Board Directors.

Realization of Work Program and Activities of IGC Program in 2019

Throughout 2019, the IGC carried out IGC activities/work programs, such as, evaluating the implementation of integrated governance in the BCA's financial conglomerate. The evaluations were carried out, among others, through the presentation and discussion of the Integrated Internal Audit Report and the Integrated Compliance Report.

3. Implementation of Compliance Function, Internal Audit and External Audit

Compliance Function

In line with the rapid development of IT innovation and digitalization in the financial industry and as the Bank's business activities are becoming more complex, BCA has been compelled to move quickly and forward in synergy to face every emerging challenge and business risks, including compliance risks. To face any challenge and the business risks, risk-mitigation efforts are needed to minimize violations that may otherwise cause financial loss to BCA.

In response to this issue, BCA has appointed one of the members of the Board of Directors as Director responsible for the compliance function. The appointment and removal of Directors are in charge of the Compliance Function has met the applicable requirements and implemented through the process as determined by the OJK.

To assist in the task of Director in charge of the compliance function, the Bank has established a Compliance Unit (SKK) as a working unit that is independent and free from the influence of other work units. Moreover, as the Main Entities in Financial conglomerate BCA and in order to implement the Integrated Governance for Financial conglomerate, BCA has added Aspects of Integrated Compliance in the organizational structure SKK. Thus, SKK is currently responsible in terms of:

- Monitor BCA's level of compliance in fulfilling the provisions by the OJK and BI, Bank Indonesia (BI), and other regulators. This includes ensuring that the policies, provisions, systems and procedures, as well as BCA's business activities are in compliance with each of those provisions by regulators;

- The implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT), i.e. by being responsible to make an assessment of the risk of AML and CFT program implementation pursuant to regulators provisions by regulators; and
- Monitor and evaluate the compliance function implementation of and level of compliance at each of the Financial Services Institution (LJK) under the BCA Financial Conglomerate, including AML and CFT, to implement Integrated Governance.

To ensure BCA's compliance function is well implemented, the Board of Directors and the Board of Commissioners have actively done monitoring via approvals on policies and procedures, periodic reporting, requests for clarification, and through meetings.

The Work Implementation of Compliance Function Work During 2019

Programs that SKK ran in 2019 to discharge its functions are as follows:

1. Encouraged the creation of a compliance culture
 - Disseminated/informed new regulations from regulators to the Board of Directors, Board of Commissioners, and work units.
 - Gave information about the regulations enacted by OJK, BI, and other laws and regulations on BCA's portal site that can be accessed by working units.
 - Engaged SKK human resources in various training, seminars, regulatory socialization and compliance certification organized by the Banking Professional Certification Institute (LSPP) in order to improve quality, including active participation in the working group of the Banking Compliance Director Communication Forum (FKDKP).
 - Carry out consultative functions related to the implementation of applicable regulations through the provision of advice / response to questions from the work unit or branch.
2. Ensured that BCA's policies, provisions, systems and procedures, as well as business activities complied with the provisions:
 - Identifying sources of compliance risk.
 - Making gap analysis, analyzing the impact of any new provision to BCA operations, and proposing manual adjustments, internal policies and procedures.
 - Updating the database of applicable regulatory provisions.
 - Developing a Compliance Matrix Diary as a monitoring tool to keep BCA's commitment to reporting obligations to regulators.
 - Reviewing and providing opinions to ensure compliance with applicable regulatory provisions for:
 - √ the design of new products and activities
 - √ draft internal regulations to be issued
 - √ adherence to corporate credit releases, and
 - √ documents in order to ensure operational readiness for opening, changing addresses and closing office networks.
 - Conducted a compliance test on the application of provisions at Branch Offices, in collaboration with the Branch Internal Supervisor.
 - Monitored the level of compliance with applicable regulatory provisions pertaining to prudential banking principles, such as:
 - √ Minimum Capital Requirements (KPMM);
 - √ Statutory Reserves (GWM);
 - √ Net Open Position (PDN);

- ✓ Maximum Lending Limit (BMPK);
- ✓ Non Performing Loans (NPL); and
- ✓ Macro prudential Intermediation Ratio (RIM).

Throughout 2019, BCA operations were run in compliance with prudential provisions with the prudential banking principle.

- Conducted monitoring towards if there was any sanctions/fines imposed by the regulator.
 - Made a compliance risk assessment and compiled a Compliance Risk Profile Report in every quarter as an effort to manage compliance risk.
 - Prepared a Compliance Monitoring Quarterly Report to be submitted to the BoD and BoC.
 - Coordinated with working units in order to assess the Bank's risk-based soundness.
3. Ensure BCA compliance against the commitments made to regulators:
 - Monitored BCA's commitment to OJK, BI, and other regulators in collaboration with the Internal Audit Division (DAI).
 - Monitored and followed up on requests for information/data by OJK and BI in the context of bank oversight function.
 4. Monitoring and evaluating the compliance function of each of the Subsidiaries operating under BCA's Financial Conglomerate, and preparing integrated compliance reports to be submitted to the BoD and BoC.

Compliance Indicators in 2019

Compliance indicators as a form of commitment and BCA's level of compliance with prevailing rules and regulations. In 2019, the compliance indicators were as follows:

- Minimum Capital Adequacy Ratio (KPMM) that covered credit risk, market risk and operational risk was 23.80%, higher than the minimum set by applicable provisions.
- NPL ratio (net) was 1.34%, or within the 5% (net) maximum limit permitted by the applicable regulations.
- No Legal Lending Limit, both to related parties and unrelated parties has exceeded the specified limits.
- Statutory Reserves for Rupiah (GWM) was 6.48% and Macro Prudential Liquidity Buffer (PLM) was 6.05% or in compliance with applicable regulations.
- Statutory Reserves (GWM) for Foreign Exchange was 8.52% or in compliance with applicable provisions on the reserves.
- Net Open Position (PDN) was 0.94% of capital or well below the 20% maximum as stipulated by applicable provisions.
- Liquidity Coverage Ratio (LCR) was 276.29% or higher than the minimum 100% set by regulators.
- Commitments to OJK, BI and other supervisory authorities have been properly met.

Table of Compliance Indicators in 2019

No.	Compliance Indicator	Applicable Provisions	Company's Achievement
1	KPMM	Min. 14% until < 15%	23.80%
2	NPL gross	Max. 5%	1.34%
3	BMPK	Max. 10% of Equity	0.00%
4	GWM Rupiah	Min. 6%	6.05%
5	GWM Foreign Exchange	Min. 8%	8.52%
6	PDN	Max. 20%	0.94%
7	LCR	Min. 100%	276.29%

Anti-Money Laundering and Terrorism Financing Prevention Program (AML and CFT)

BCA is committed to implementing the Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT) in accordance with applicable laws and regulations. BCA has established a Compliance Unit as a work unit tasked with coordinating the implementation of the AML and CFT Programs at BCA. Activities related to this aspect during 2019 included the following:

- Making periodic reports on the implementation of AML and CFT to the BoD and BoC.
- Monitoring suspicious financial transactions using web-based application named the STIM (Suspicious Transaction Identification Model), developing a system of applications using the latest technology, and updating parameters that can detect suspicious transactions.
- Coordination on customer data updating through the preparation of targets and monitoring their realization.
- Reviewing of plans for new products and activities to ensure they have paid attention to AML and CFT regulations.
- Screening customer data and transactions related to the List of Terrorist and Terrorist Organizations (DTTOT), and the List of Funding for the Proliferation of Mass Destruction Weapons (DPPSP) issued by the competent authority whenever a new account was opened, when BCA entered into business relations, and when changes in the list were identified.
- Identifying the risk of applying AML and CFT to BCA using a risk-based approach by considering the factors related to customers, countries or geographical areas, products and services and distribution networks.
- Conducting compliance tests on the implementation of AML and CFT at branch offices in collaboration with branch internal supervisors.
- Reporting suspicious financial transactions, cash financial transactions, and financial transfers of funds to and from overseas, and submitting data through the Integrated Service User Information System (SiPESAT) to Financial Transaction Reports and Analysis Center (PPATK).
- Continuously enhancing comprehension on AML and CFT through classroom sessions, e-learning, video conferencing and internal forums such as the Branch Internal Supervisory Forum and the KCP Head Forum.
- Developing training materials on AML and CFT Implementation.
- Develop and implement the risk and compliance awareness program to branch through collaboration with risk management work unit.
- Making periodic reviews of internal regulations related to AML and CFT from regulators, as well as changes in BCA's processes or products.

Integrated Compliance Function

In accordance with OJK applicable rules and in order to implement the Integrated Governance, BCA as Major Entities in Financial Conglomeration has also added a compliance function integrated in Compliance Unit Organization. The main tasks of the integrated compliance function in the Compliance Unit is to monitor and evaluate the implementation of the compliance function in each institution in the BCAs Financial Conglomerate, including the implementation of the AML and CFT program.

Implementation of Internal Audit

The function of the internal audit unit is carried out by the internal audit division guided by OJK Regulation No. 1/POJK.03/2019 dated January 28, 2019 concerning the Implementation of the Internal Audit Function in Commercial Banks.

In carrying out its functions, the division carries out independent and objective assurance and consultation activities to provide added value and improve the Company's operations in achieving its objectives, by evaluating the effectiveness of the risk management process, internal control, and governance.

Internal Audit Charter

The Internal Audit Division has an internal audit charter as a frame of reference in carrying out tasks containing mission, authority, independence and scope of work. The charter is updated periodically according to BCA's needs. The charter was updated in May 2019.

Independency

To support independence and ensure the effortless operation of the audit and monitoring the follow-up of audit results, the internal audit head division is responsible to the President Director. The division head can communicate directly with the Board of Commissioners and the audit committee, to inform on various matters relating to the audit. Throughout 2019, division meetings with the President Director and the audit committee were held 8 (eight) times, while meetings with the Board of Commissioners were held 2 (two) times.

The division has authority and responsibility to carry out operational activities, both at BCA and its subsidiaries.

Auditor's Code of Ethics

In addition to complying with the BCA code of ethics, the division has the auditor's code of ethics as a standard and reference in conduct and thinking in implementing their duties and functions as auditors. The code of ethics refers to the International Professional Practices Framework (IPPF) -The Institute of Internal Auditors (IIA), which consists of integrity, objectivity, confidentiality and competence. Annually, all auditors in the division make a statement of compliance to the auditor's code of ethics to increase the mutual commitment and trust of stakeholders.

Duties and Responsibilities of the Internal Audit Division

The scope of the assignment of the division covers the activities of all branch offices, regional offices, headquarters, subsidiaries, and BCA activities that are outsourced to third parties, with the following duties and responsibilities:

1. Assist the President Director, the Board of Commissioners and the audit committee in carrying out the supervisory function
2. Prepare and implement a risk-based annual audit plan and report the realization to the President Director, the Board of Commissioners and the AC
3. Test and evaluate the adequacy and effectiveness of the risk management process (risk management), internal control, governance processes (governance) and provide recommendations for improvements
4. Evaluate the quality of performance and achievement of targets from the work program of the branch, regional and head offices

5. Carry out continuous credit quality assessments
6. Monitor, analyze and report on the implementation of follow-up actions that have been carried out by the auditee on the recommendation of the audit results
7. Compile and submit reports related to the results of the audit to the Board of Commissioners, the audit committee and the Board of Directors, as well as other reports on the implementation of the internal audit function to the OJK
8. Coordinate with work units that perform other control functions to increase the effectiveness of the internal control system
9. Carry out the integrated internal audit function
10. Carry out the role of a consultant for the Company's internal needs, especially related to the scope of internal audit tasks.

Audit Implementation Standards

Professional standards for internal audit exercises mandatory guidance established by The Institute of Internal Auditors. The division also refers to the global best practices issued by the Information System Audit and Control Association (ISACA).

Review by an independent external party is conducted at least once in 3 (three) years. The last review by an external party was carried out in December 2016.

Implementation of Internal Audit Division Activities during 2019

The focus of the activities of the division in 2019 were as follows:

1. Carry out audits of branch offices, regional offices, divisions/work units of headquarters, and subsidiary companies in accordance with the annual audit plan determined based on the results of risk assessment, including:
 - a. Implementation of enterprise security to ensure integrated and comprehensive protection and security against the resilience of information technology systems and information security
 - b. Internet banking is in line with the increase in volume and transactions through these channels
 - c. The procedure of operating an ATM (including the use of third parties) is in line with the growth of transactions and the number of machines, as well as the addition of features to support operational activities
 - d. Regulatory audit in accordance with BI Regulation and OJK Regulation on:
 - Payment system processes
 - Internal capital adequacy assessment process (ICAAP)
 - Electronic money and payment transaction processing.
2. Increasing the role of early warning systems (EWS) by implementing continuous auditing and analytic data for early detection of potential errors/fraud.
3. Increasing collaboration with other assurance providers in identifying and mapping the impacts and changes in risk in line with changes in business, technology, and providing recommendations for mitigating possible risks.
4. Developing the competence and professionalism of auditors continually with a focus on increasing specialist auditors, data analytics and constantly updating with business developments and information technology.

Focus of the 2020 Audit Plan

1. Conducting audits of branch offices, regional offices, divisions/work units headquarters, and subsidiary companies in accordance with the annual audit plan determined based on the results of risk assessment, focusing among others on:
 - a. Future branches to be in line with the wider implementation for service improvement in meeting customer needs by utilizing latest technological developments.
 - b. Development and marketing of credit cards and EDC businesses to ensure the adequacy of business strategies and their implementation in line with increasing competition.
 - c. The reliability of main applications that support the Bank's operations (deposits, credit and foreign exchange transactions).
 - d. Regulatory audit in accordance with BI Regulation and OJK Regulation, on:
 - Payment system processes.
 - Internal capital adequacy assessment process (ICAAP).
2. Increasing the role of early warning systems (EWS) by continuously expanding the scope of checks through continuous auditing and data analytics and developing predictive analytic tools for early detection of potential errors (fraud)/fraud by utilizing the latest technology.
3. Continue to develop auditor competence and professionalism on an ongoing basis.
4. Enhancing the integrated internal audit function by providing support for the development of internal audits of subsidiaries and offering recommendations for improvement.

Public Accountant Firm (External Audit)

In order to fulfil the implementation of External Audit function in accordance to OJK Regulation No. 32/ POJK.03/2016 on Amendments to OJK Regulation No. 6/ POJK.03/2015 on Transparency and Publication of Bank Reports and OJK Circular Letter No. 36/SEOJK.03/2017 on Use of Services of Public Accountants and Public Accounting Firms in Financial Service Activities (SEOJK 36/2017):

1. BCA uses the services of a PA and/or PAF to carry out an annual audit of historical financial information based on a work agreement with the KAP. The work agreement includes the scope of the audit.
2. BCA restricts the use of audit services to the annual historical financial information from the same PA for the maximum period of 3 (three) consecutive financial reporting years. The Company may reappoint the same PA for the audit of annual historical financial information after 2 (two) consecutive years of financial reporting, if not using such audit services from the same PA.
3. Appointment of PA and/or PAF shall be carried out on PA and/or PAF registered at OJK.
4. The appointment of AP and/or PAF providing audit services on annual historical financial information is decided by the Board of Commissioners considering the proposal. BCA's AGM has given the power and authority to the Board of Commissioners to appoint PAF (including PA) based on prior recommendations from the AC to the Board of Commissioners.
5. The proposal for the appointment of PA and/or PAF submitted by the Board of Commissioners considers the recommendations of the Audit Committee, by taking into account:
 - a. Independence of PA, PAF and staff of PAF;
 - b. Scope of the audit;
 - c. Audit services fees;
 - d. Expertise and experience of PA, PAF and Audit Team of PAF;
 - e. Methodology, techniques, and audit facilities employed by PAF;
 - f. Benefits of fresh eye perspectives obtained through the replacement of PA, PAF and Audit Team of PAF;

- g. Potential risks for using audit services by the same KAP consecutively for a long period of time; and/or
 - h. Evaluation of the implementation of audit services on annual historical financial information by PA and PAF in the previous period.
6. BCA reports the appointment of PA and/or PAF regarding the audit of annual historical financial information by using the form contained in the attachment (SEOJK 36/2017), by attaching:
 - a. PA and/or PAF appointment documents including the Summary of Minutes of General Meeting of Shareholders or Minutes of General Meeting of Shareholders, Work Agreement between BCA and PAF.
 - b. Recommendations of the Audit Committee and considerations used in providing recommendations for the appointment of AP and/or KAP.
 7. The AC evaluates the implementation of audit services on annual historical financial information provided by the PA and/or PAF, at least including:
 - a. Conformity of the implementation of audit by the PA and/or PAF with the applicable audit standards;
 - b. Adequacy of time for field work;
 - c. Assessment of the range of services provided and the adequacy of quotation tests; and
 - d. Recommendations for improvements provided by the AP and/or KAP.
 8. The AC evaluation report is submitted by the Board of Directors of BCA by using the form contained in the attachment (SEOJK 36/2017) and signed by the AC.

2019 Audit Fees

PAF Tanudiredja, Wibisana, Rintis & Partners (a member firm of PwC Global Network) was appointed to audit BCA's financial statements for the year ending December 31, 2019, with an estimated service fee of Rp6,900,000,000.00 (six billion nine hundred million rupiah) excluding VAT.

Other Services Provided by PAF/PA Beyond Audit

In 2019, there were no fees for non-audit services paid to PAF Tanudiredja, Wibisana, Rintis & Partners (a member firm of PwC Global Network).

Information on PAF and PA who performed audit services for BCA in the past 5 (five) years:

	2019	2018	2017	2016	2015
Public Accounting Firm	Tanudiredja, Wibisana, Rintis & Rekan	Tanudiredja, Wibisana, Rintis & Partners	Tanudiredja, Wibisana, Rintis & Partners	Siddharta Widjaja & Partners	Siddharta Widjaja & Partners
Public Accountant	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Kusumaningsih Angkawijaya	Kusumaningsih Angkawijaya

4. Application of Risk Management

The Board of Commissioners and Directors of the Company are responsible for implementing risk management and internal control systems in BCA and Subsidiaries in an integrated manner. Disclosure of the application of the Company's risk management includes:

- Active supervision from the Boards of Commissioners and Directors.
- Adequacy of risk management policies and procedures, as well as risk limits.
- Adequacy of process in identifying, measuring, monitoring, and controlling risk, as well as in risk management information systems.
- Comprehensive internal control system.

Overview of the Company's Risk Management System

BCA effectively implements risk management and internal control systems that are tailored to the objectives and business policies, size and complexity of BCA's business activities based on requirements and procedures as stipulated in BI Regulation, OJK Regulation, and refers to international best practices, through the following actions:

1. Identify and control all risks including those originating from new products and new activities.
2. Have a ROC which aims to ensure the existing risk management framework has provided adequate protection against all BCA's risks and has the main duty:
 - To provide recommendations and opinions in an independent professional manner regarding the suitability of policies with the implementation of risk management policies
 - Monitor and evaluate the implementation of the duties of the RMC and risk management unit
3. Have a RMC that has the following key tasks:
 - Formulate policies, strategies, and guidelines for risk management implementation,
 - Improve the implementation of management based on the results of evaluation on the implementation of effective risk management processes and systems.
 - Determine other matters pertaining to business decisions that deviate from normal procedures (irregularities).
4. Have an IRMC specifically tasked with providing recommendations to the Board of Directors which at least includes:
 - The preparation of integrated risk management policies.
 - Improvement of completion of integrated risk management policies based on the results of the implementation evaluation.
5. Have a Risk Management Unit formed to ensure that BCA and its Subsidiaries do integrated risk mitigation correctly through identification, measurement, monitoring, control and reporting in accordance with the risk management framework and able to deal with emergency situations that threaten the sustainability of BCA's business.
6. Manage risks and ensure the availability of policies and determination of risk limits supported by procedures, reports and information systems that provide accurate and timely information and analysis to management, including determining steps to deal with changing market conditions.
7. Ensure that in the process of compiling work systems and procedures it has taken into account both the operational and business aspects and the level of risk that may occur in a work unit.
8. Ensure that the internal control system has been implemented in accordance with the provisions.
9. Monitor BCA's compliance with the principles of sound bank management in accordance with applicable regulations through the work unit of the Compliance Unit.
10. Make a quarterly BCA's Risk Profile Report and Integrated Risk Profile Report every semester and submit it to the OJK in a timely manner.

Risk Management System

In the context of risk control, BCA has implemented an integrated Risk Management Framework as outlined in the Basic Risk Management Policy. The framework is used as a means of determining the strategy, organization, policies and guidelines, as well as BCA's infrastructure so that all risks faced by BCA can be identified, measured, monitored, controlled and reported properly.

In order for the implementation of risk management to run effectively and optimally, BCA has RMC that has the authority to review and provide recommendations on matters relating to risk management for decisions from the Board of Directors.

In addition, BCA has formed several other Committees whose task is to handle risks more specifically, including CPC, CC and ALCO.

BCA always carries out a comprehensive risk assessment of the planned issuance of new products and activities in accordance with regulatory provisions.

BCA is currently building a technology-based information system, which is an Integrated Risk Management Information System (IRMIS) application that will be used to prepare:

- BCA Risk Profile Report (LPR BCA).
- Integrated Risk Profile Report (LPRT).
- Integrated Capital Adequacy Report (LKPT).

Risks Faced and Managed

In accordance with OJK Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates and OJK Circular Letter No. 14/SEOJK.03/2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, the Company becomes the Main Entity of the Company's Financial Conglomerate, which integrates managing 10 (ten) types of risks, as follows:

1. Credit Risks

- Risk organization continues to be refined by referring to the four eyes principle where credit decisions are taken from two sides, namely business development and credit risk analysis.
- BCA has a basic bank credit policy (KDPB) which is constantly refined in line with BCA's development, regulatory provisions and in accordance with the prudential banking principles and international best practices.
- Improvement of credit risk management system and procedures is carried out through the development of a "Loan Origination system on the work flow of crediting process (from beginning to end) so that an effective and efficient credit process can be achieved. The development of a debtor risk profile measurement system continues to be developed so that it can be applied as a whole, as well as the process of building a credit database that continues to be carried out and refined.
- To maintain credit quality, monitoring continues to be carried out regularly, both in the credit category (corporation, commercials, small and medium Enterprises (SME), Consumers and Credit Cards), the industrial sector and the overall credit portfolio and branches that have SME/KPR Credit Card with a DPK 30+ ratio (overdue > 30 days) and a high NPL, close monitoring and control of authority is carried out so that the branch can focus on improving credit quality.
- BCA has developed credit risk management by conducting stress testing analysis of the loan portfolio and monitoring the results of the stress testing. In response to conditions of market changes and economic turmoil, BCA periodically conducts stress testing analysis. Stress testing is useful for BCA as a tool to estimate the magnitude of the risk impact on "stressful conditions" so that the Company can make appropriate strategies to mitigate these risks as part of implementing the "contingency plan".

- In the context of monitoring and controlling credit risk that occurs in subsidiaries, BCA has regularly monitored the credit risk of subsidiaries, while ensuring that the subsidiaries have a good and effective Credit Risk Management Policy.
- In 2019, a further monitoring system such as the Early Warning System (EWS) was developed, followed by credit provisions in accordance with the latest provisions of the regulator and the development of the credit business with due attention to the credit business and to the principles of prudence and BCA's risk appetite.
- In 2020, the focus will be on developing a credit scoring system with a more advanced analytics to support sustainable credit growth.

2. Market Risk

- In managing foreign exchange risk, the BCA centralizes the management of Net Open Position (NOP) in the Treasury Division, which combines daily NOP Reports from all branches. In general, each branch must close its foreign exchange risk at the end of each working day, even though there is a PDN tolerance limit for each branch depending on the amount of foreign exchange transaction activity in the branch. BCA makes daily PDN Reports that combine PDN in consolidated and administrative account financial position reports (off-balance sheet accounts).
- To measure foreign exchange risk, BCA uses the Value at Risk (VaR) method with the Historical Simulation approach for internal reporting purposes, while for the calculation of reporting on the Minimum Capital Provision Obligation, the Company uses standard methods in accordance with regulatory provisions.
- The main components of BCA's obligations that are sensitive to movements in interest rates are customer deposits, while sensitive Company assets are Government Bonds, securities, and loans. ALCO regularly monitors market developments and adjusts deposit and credit interest rates.
- BCA deposits and credit interest rates based on market conditions and competition by monitoring the movement of the benchmark interest rates and interest rates offered by competing banks.

3. Liquidity Risk

- BCA attaches great importance to safeguarding the adequacy of liquidity in fulfilling its commitments to customers and other parties, both in terms of providing credit, repaying customer deposits, and for meeting operational liquidity needs. The overall management function of liquidity needs is carried out by ALCO and operationally by the Treasury Division.
- The measurement and control of liquidity risk is carried out by monitoring liquidity reserves and liquidity ratios such as Loan to Funding Ratio (LFR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), analyzing maturity profiles, cash flow projections, and stress test regularly to see the impact on BCA's liquidity in the face of extreme conditions. The company also has a contingency funding plan to deal with these extreme conditions.
- BCA has implemented provisions related to liquidity in accordance with regulatory provisions that require the Bank to maintain Rupiah liquidity (Statutory Reserves (both on daily basis and on average for a certain reporting period, which consists of Primary GWM and RIM Demand Deposits (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits at BI, PLM (Macroprudential Liquidity Buffer) in the form of SBI, SDBI, and

SBN, as well as foreign currency GWM in the form of foreign currency demand deposits at BI.

4. Operational Risk

- A reliable and effective Operational Risk Management is a key factor in maintaining BCA's position as the leading transaction bank in Indonesia. BCA faces operational risks caused by human errors, insufficient internal processes, system failures, and or external events.

To manage, mitigate, and minimize operational risks, BCA has an Operational Risk Management Framework, and has implemented the Operational Risk Management Information System (ORMIS), a web-based application that consists of several tools and methodology, as follows:

- Risk Control Self Assessment (RCSA) to all branches /regional offices and to work units/divisions at the Head Office that are considered to have significant operational risks. One of the objectives of RCSA implementation is to instill a risk culture and increase risk awareness which is the main requirement in risk management.
- Loss Event Database (LED) as a database of cases of losses related to operational risk that occur in all Branch/Regional Office and Work Unit/Division at Head Office. The main purpose of implementing LEDs is as a means of recording operational losses that will be used in calculating the capital burden allocation for operational risks, continuous monitoring of events that can cause operational losses for BCA, and to analyze cases or problems encountered, so that corrective/preventive actions can be taken to minimize/mitigate the risk of operational losses that may arise in the future.
- Key Risk Indicator (KRI) which is an application used to provide an indicator as a means to be able to provide an early warning sign of the possibility of an increase in operational risk in a work unit. This KRI is also further developed as Predictive and Risk Management which can assist the Work Unit in monitoring risk exposures.
- In accordance with regulators provisions regarding the Minimum Capital Provision Obligation, in calculating BCA's capital adequacy ratio (CAR), BCA has allocated capital for the provision of losses from operational risk using the Basic Indicator Approach, excluding capital allocation for reserve losses from credit risk and market risk.
- To ensure that BCA can serve a round the clock and seamless banking transactions, the Company runs 2 (two) data centers in redundancy designed to ensure business continuity in the event of a system failure in one of the two data center locations.
In addition to 2 (two) data centers that work in mirroring, BCA also has a Disaster Recovery Center (DRC) in Surabaya. At present the Surabaya DRC continues to be developed as part of the Bank's Business Continuity Management and is designed to be able to operate as a Crisis and Command Center in the event of a disruption or natural disaster in the Jakarta area which causes the data center in Jakarta to be inoperable.
- BCA also has a Secondary Operation Center ready for use in the event of a disturbance/disaster in the building/work location of BCA's Critical Work Unit.

5. Legal Risk

- Inherent Legal Risk is assessed based on the potential loss of cases that occur in BCA and Subsidiary Companies that are in the process as well as those that have been completed in court compared to capital on a consolidated basis. The parameters used to calculate the potential losses for cases currently in process in the court are the basis of the claim (case

position), case value, and legal documentation. Meanwhile, the parameters used to calculate losses from a claim are losses suffered by the Company and Subsidiaries based on court decisions that have permanent legal force.

- To identify, measure, monitor and control legal risk, the Company has established a Legal Group at the Head Office and Legal Work Unit in all Regional Offices.

In order to mitigate legal risk, the Legal Group has done, among others:

- Creating a Legal Risk Management Policy, has internal provisions governing the organizational structure and job description of the Legal Group as well as standardizing legal documents.
- Hold legal communication forums to improve the competence of legal staff.
- Disseminating the impact of the new regulations in force on the Company's banking activities and various modus operandi of banking crimes and legal handling guidelines for branch officials, Regional Offices and related Head Office work units.
- Conduct legal defense of civil and criminal cases involving the Company that is in the process in court and monitor the progress of the case.
- Prepare a strategy for credit security strategies (in collaboration with other work units, including the Credit Rescue Unit) in connection with the problem of bad credit.
- Registering the assets of BCA, including Intellectual Property Rights (IPR) for BCA's banking products and services as well as rights to land and buildings owned by BCA at the competent authority.
- Monitor and carry out legal actions for violations of BCA's assets including violations of BCA's Intellectual Property Rights (IPR).
- Monitor and analyze cases currently in process in court faced by BCA and Subsidiaries.
- Conduct an inventory, monitor, analyze and calculate potential losses that may arise related to legal cases that occur.

6. Reputation Risk

- An assessment of reputation risk is carried out using parameters such as the number of complaints and negative publications as well as the achievement of complaints.
- Developing Infrastructure i.e. implementation the appropriate software and hardware (including: Halo BCA - 24-hour Telephone Service, BCA CRM Contact Center, Halo BCA Mail Application, Interactive Voice Response [IVR], Social Media Manager Application, Halo BCA Chat Service through www.bca.co.id), the development of procedures and better work management in order to facilitate monitoring and management information systems that allow speed and quality of organizational work.
- Reputation Risk is managed based on regulatory provisions.

7. Strategic Risk

- Inherent strategic risk assessment is carried out using parameters such as the suitability of the strategy with the conditions of the business environment, low risk strategies and high risk strategies, BCA's business position and the achievement of the Bank's Business Plan.
- Quality assessment on strategic risk management is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, and the adequacy of risk control system.

8. Compliance Risk

- Compliance risk is a type of risk that must be managed by the Company, considering that this risk can cause both financial and non-financial losses.
- In accordance with OJK Regulation No.46/ POJK.03/2017 dated July 12, 2017 concerning the Implementation of Commercial Bank Compliance Function, BCA has appointed a member of the Board of Directors as Director in charge of the compliance function, who is responsible for ensuring compliance and minimizing compliance risk by formulating compliance risk management policies and procedures and monitor the implementation. In carrying out its duties, the Director in charge of the compliance function is assisted by the Compliance Unit (CU) which is independent of the operational work unit.
- In assessing inherent compliance risk, the parameters used are the type and significant of violations committed, frequency of violations committed or track records of compliance, and violations of provisions for certain financial transactions. In addition, CU is also responsible for the implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program (AML and CFT), including being responsible for conducting risk assessments on the implementation of the AML and CFT program according to regulatory provisions.
- BCA has compliance policies and procedures, which include, among other things, a process to always adjust the provisions and internal systems with applicable regulations, communicate provisions to related employees, conduct a review of new products activities conduct periodic compliance tests, and train employees. The results of supervision of the Compliance Director are reported quarterly to the President Director with a copy to the Board of Commissioners.
- In order to support the bank's strategic positioning as a transactional bank, specifically related to preventing money laundering and terrorism funding, the Company uses a web-based application called STIM (Suspicious Transaction Identification Model) and has developed a system for cutting edge application and parameter updates to detect suspicious transactions.
- The Company also screens customer data and transactions related to the List of Terrorist and Terrorist Organizations (DTTOT) and the List of Funding for the Proliferation of Mass Destruction Weapons (DPPSP) issued by the competent authority whenever an account is opened, when BCA enters into business relations, and s changes to the list are identified.

9. Inter-Group Transaction Risk

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

10. Insurance Risk

- The inherent insurance risk assessment is carried out using parameters such as technical risk, insurance risk domination of the overall business line, product risk mix and types of benefits, and reinsurance structure.

- Quality assessment application of insurance risk management is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, and the adequacy of the risk control system.

Review/Results Review of Risk Management System Implementation

Based on the results of self-assessment, BCA had a 'low to moderate' risk profile rating in 2019 both individually and when treated as an integrated entity with its subsidiaries.

The risk profile rating was the result of an assessment on "low to moderate" risk rating and the quality rating of the implementation of "satisfactory" risk management.

The risk ratings of the 10 (ten) types of risk assessed are as follows:

- Risks that were rated as "low" are Market Risk, Liquidity Risk, Legal Risk and Intra-Group Transaction Risk.
- Risks that had "low to moderate" risk level were Credit Risk, Operational Risk, Reputation Risk, Strategic Risk, Compliance Risk and Insurance Risk.

BCA was able to achieve "low to moderate" risk rating because the Company and its Subsidiaries had established a quite effective and efficient risk management process in all of its activities.

BCA expects its inherent risk trend for the coming periods to be stable since based on the projected results, no significant change in inherent risk is expected to occur.

BCA does not expect the macroeconomic condition in the coming years to give adverse impacts on BCA and its Subsidiaries. Despite the likely pressures on the Indonesia's economy, risks in all business activities across BCA and its Subsidiaries, BCA will continue endure those situations on the principle of prudence.

The quality of the implementation of risk management in the coming years will be stable because BCA and its Subsidiaries continuously adjust risk management in all their activities with more improvements allowing both to identify, measure, monitor and control any emerging risk.

BCA and its Subsidiaries have implemented integrated risk management covering all risks that may directly or indirectly affect its business sustainability. What BCA and its Subsidiaries aim is that they can manage risk better and determine risk appetite and risk tolerance in accordance with the complexity and characteristics of the business.

BCA's and its subsidiaries' risk management policies are continually updated to remain compliant with all applicable regulations, the direction of Basel II and III Accord development, prudential banking principles and global best practices.

BCA and its Subsidiaries will continue to attend closely to economic situation and to latest development in the banking industry.

Internal Control System

BCA's Internal Control consists of 5 (five) main components, namely:

1. Management Oversight and Control Culture.

2. Risk Recognition and Assessment.
3. Control Activities and Segregation of Duties.
4. Accountancy, Information and Communication.
5. Monitoring Activities and Correcting Deficiencies.

The five components are consistent with the Internal Control Integrated Framework that has been developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Implementation of Internal Control

1. Internal control is implemented through several activities, namely:

a. Financial Control, whereby:

- 1) The Board of Directors has prepared strategic plans that have been approved by the Board of Commissioners. The strategic plans have been stipulated in the Bank Business Plan as the Blue Print of a 3 (three) year business strategy and Annual Work Plan and budget of BCA, which have been distributed to all relevant officers of BCA in order to be implemented.
- 2) The strategies have been established by factoring in any impact of strategic risk on BCA's capital, in among other areas, capital projections and the Minimum Capital Requirement.
- 3) The Board of Directors actively engages in discussions or offers input and monitors the internal situation, and developing external factors that directly or indirectly would affect meeting BCA's business strategic objectives.
- 4) BCA has implemented a financial control process, both on BCA and on the members of BCA's Financial Conglomerates, in order to monitor the realization against the budget as drafted in periodic reports. BCA has established a subsidiary monitoring unit to monitor the performance development of each of its subsidiaries.

b. Operational Control, whereby:

- 1) Each banking operational transaction that BCA undertakes has been equipped with a work procedure that is stipulated in work manuals. Such work procedure is developed by the Operational and Service Development and Strategy Division and reviewed by various relevant work units to ensure that operational risks that may arise have been effectively and properly mitigated.
- 2) There are several boundaries in place by:
 - a) Imposing a limit and authorization for officers to conduct a transaction.
 - b) Utilizing User IDs and passwords as well as installing finger scan for employees to access computers.
- 3) To support comprehensive operational risk control, BCA has:
 - a) Established an organizational structure as follows:
 - Segregation of functions so as to avoid conflict of interest.
 - Supervisor oversees the implementation of internal control at Branch Offices on daily basis.
 - Branch Internal Supervisor to oversee the implementation of internal control at Branch Offices.
 - Regional Office/Internal Supervisor to oversee the implementation of internal control at Regional Offices.

- Head Office internal supervisor to oversee the implementation of internal control in certain work units at Head Office.
 - Internal Audit Division that is independent of risk taking unit to examine and assess the adequacy and effectiveness of risk management, internal control and corporate governance processes, either at BCA or for members of BCA's Financial Conglomerates.
 - Risk Management Work Unit and Legal Group and Compliance Work Unit that are independent of risk taking units.
 - Anti Fraud Bureau to improve the effectiveness of Fraud strategy implementation on all activities of BCA.
- b) Established employee rotation and transfer policies.

c. Compliance to laws and regulations, whereby:

- 1) BCA is committed to comply with the prevailing laws and regulations and take the necessary steps to improve weaknesses found in regard to risk, if any.
- 2) BCA has established a Compliance Work Unit independent of risk taking units and is responsible for monitoring the compliance of BCA and its subsidiaries in an integrated manner.
- 3) BCA has:
Monitoring on Reporting Compliance to BI or OJK or other regulators.
 - a) Compliance Report of BCA, including Report on the Implementation of AML and CFT Program to be submitted to the OJK every 6 (six) months.
 - b) Compliance Monitoring Report on the Prudent Principles of BCA, including Report on the implementation of AML and CFT Program to be submitted to the Board of Commissioners, President Director and Deputy President Director every 3 (three) months.
 - c) BCA's Compliance Risk Management Strategy involves the necessary policies to always comply with applicable regulations which means proactively taking preventive measures (ex-ante) to minimize the possibilities of violations and conducting curative actions (ex-post) for improvements.

Evaluation of Internal Control Systems

The adequacy and effectiveness of BCA's internal control system is evaluated through monitoring and by making corrections to irregularities, including:

1. BCA continuously evaluates and monitors the effectiveness of the overall implementation of internal control, including in cases where changes in internal and external conditions that may keep BCA from achieving its goals are identified.
2. Monitoring is prioritized on BCA's key risks and serves as part of daily activities, including through periodic evaluations to detect and prevent new risks, both in operational work units, risk monitoring work units, and in DAI.
3. The adequacy and effectiveness of the internal control system is evaluated independently by DAI and the results are reported to the Boards of Commissioners and Directors, and the Audit Committee.

5. Provision of Funds To Related Party and Large Exposure

Disclosure regarding provision of fund to Related Parties (individuals or groups, including Board of Directors, Board of Commissioners, Executive Officers of the Bank, as well as other related parties)

and provision of large exposure refers to OJK Circular Letter No. 13/ SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks under the section the Implementation of Governance Transparency.

Lending Policy to Board of Directors and Board of Commissioners

BCA has policies related to loans for the Board of Directors and Board of Commissioners, which are regulated in:

- Credit provision guidance for SMEs, commercials, corporates, and consumers;
- Policy regarding credit approval mechanism to Related Parties; and
- The Basic Bank Lending Policy PT BCA Tbk (KDPB) issued on July 22, 2019 (hereinafter referred to as “The Lending Policy for Board of Directors and Board of Commissioners”).

The Lending Policy for Board of Directors and Board of Commissioners, among others, regulates that:

- Ensuring Loans to the Board Directors and the Board of Commissioners are disbursed based on fairness principle or arm’s length basis and
- Loans are given at market interest rates;

Thus, in their implementation they must meet the following provisions:

- Provision of funds to related parties shall not conflict with the general lending regulations and procedures and must generate reasonable profits for BCA.
- The credit terms to related parties policy, particularly in regard to credit interest rated and the form or type of loan will be in accordance with the BCA’s general credit regulation.

Especially for material affiliated transactions that have the potential to contain conflict of interests, will be reviewed / examined first by the Audit Committee and reported to the Board of Commissioners.

Policy on Provisions of Fund to Related Parties

Provision of funds to related parties and to debtors in large exposure are always carried out with due regard to the prudence principle, through a review process and mechanism in accordance with BCA policies and fulfilling the OJK provisions and prevailing laws and regulations, including but not limited to the legal lending limit (LLL).

The provision of funds to related parties must also be decided by the credit committee officer.

During 2019, BCA implemented a policy of provision funds to related parties, large exposure, and to the Board of Directors and the Board of Commissioners in accordance with prevailing regulations.

Provision of Funds to Related Parties and to Main Debtors individuals, and Group (Large Exposure) at BCA during 2019:

Funds Provisioned	Total	
	Debtor	Nominal (Million Rp)
To Related Parties	512	6,832,021
To Main Debtors:		
a. Individu	50	128,490,641
b. Group	30	181,412,374

6. Strategic Plan

The Board of Commissioners and Board of Directors continue to build active communication in aligning their views with BCA's business strategy in the banking sector. The Board of Directors directs the company in maintaining business continuity by prioritizing strategic goals. The Board of Directors has a process to review, monitor and supervise the implementation of the BCA's strategy in accordance with internal policies and regulatory provisions.

The Company's Strategic Plan in 2019

The Indonesian economy will continue to face external and internal challenges in 2020. It is estimated to grow at a modest pace in line with a gradual economic recovery. The corona-virus outbreak added challenges to the global and domestic economy, particularly in the first semester of 2020. Given such a backdrop, as a proxy to the economy banks are now even more cautious on the asset quality rather than on growth. In response to macroeconomic developments, banks expect to grow moderately both in the lending and funding.

BCA's third party funds and loans are projected to grow moderately. Given the high LDR, banking sector liquidity is estimated to remain tight, which may lead to more competition for third party funds. We will remain focused on maintaining adequate liquidity and prioritizing CASA growth. We will continue to develop the numerous features and facilities of digital banking products and services, expand the network and payment acceptance system for customers, and pursue customer base growth.

Indonesian banks also face competition from fin-tech companies that leverage technology advancements to provide financial services. While this is a threat to transaction banks, it also provides opportunities for collaboration with the companies in a fast growing payment ecosystem. We collaborate with numerous fintech and e-commerce companies leveraging on the Application Programming Interface (API) technology. The collaborations provide convenient services and encourage customers to perform banking transactions through digital channels, providing strong grounds to widen the customer base and grow the number of transactions.

Indonesia's business environment is expected to be more favorable after the successful general elections, the inauguration of the president and the formation of a new cabinet, serving as an investment catalyst for business expansion and supporting loan growth in 2020 and beyond. BCA will seek market opportunities to expand its lending services in various segments, while remaining cautious in regard to changes in loan quality. The implementation of disciplined risk management is key to maintaining sound asset quality.

BCA is committed to growing with its subsidiaries, and supporting capital needs in line with business development. We are optimistic our subsidiaries will increase their contribution to our overall performance, either in interest or fee-based income

The Bank takes into account both internal and external factors to determine its strategic initiatives, while preserving strong liquidity and capital positions, and promoting a balance between loan growth and asset quality.

i. Development of transaction banking and digital banking services.

BCA prioritized strengthening transaction banking, reflected in its annual business plan and strategic work programs. Reliable payment settlement services are the driving force behind customer trust in our services, leading to sticky and solid CASA growth.

The Bank's initiatives to strengthen transaction banking capabilities were heavily focused on the development of digital platform services, such as online account opening through BCA Mobile. Since its launch early in the year, this facility has received positive feedback and contributed to customer growth.

The Bank continued to strengthen collaboration with e-commerce and fin-tech companies to expand the coverage of its payment ecosystem. It utilized application programming interface (API) technology for integration of co-partner systems with its system.

These initiatives were supported by a robust information technology infrastructure and a reliable security system.

ii. Loan expansion

We focused on disbursing loans to customers with positive track records and maintained loan diversification to mitigate concentration risk. Loan growth is expected to be supported by the corporate segment. We continue to engage in loan syndication for prospective infrastructure projects related to toll roads, electricity, telecommunications and airports.

Commercial and SME segments will be equipped with optimization of the role of the commercial business centers at the regional offices, and the development of SME centers at branches. For consumer segment, The Bank remained proactive by offering products at competitive interest rates and holding various promotional activities and special events, such as BCA Expoversary, to optimize its consumer lending growth.

BCA improved its loan infrastructure, leveraging technology to accelerate the approval process, while implementing prudent banking principles. We also focused on improving the competency of our credit employees (account and relationship officers) through training programs, both on-site and e-learning through a digital application. Information technology was utilized to manage data and debtor information, which complemented credit analysis and captured potential new debtors in various customer segments.

iii. The development of comprehensive solutions and services

BCA strives to provide comprehensive products and services, improving coordination among business units and synergy with subsidiaries, to meet growing customer needs.

The Bank strengthened its business in foreign exchange, cross border remittance, trade finance, wealth management and bancassurance, and in the business lines of its subsidiaries. We

collaborated with subsidiaries engaged in vehicle financing, sharia bank, securities, remittance, general insurance, life insurance and venture capital investment in technology.

The provision of comprehensive financial products and services complemented our core transaction banking and generated cross selling opportunities to support overall performance. We are confident our subsidiaries have room for growth by leveraging our wide customer base. Comprehensive financial services delivered in cooperation with subsidiaries will reinforce the relationship with our customers.

We recently completed the acquisition of Bank Royal, part of our business plan for the year, and are in the process of formulating its business model, which will focus on the provision of digital services in collaboration with BCA. We also signed a conditional sale and purchase agreement to acquire Rabobank Indonesia which is expected to be completed in 2020.

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

BCA has policies and procedures regarding the procedures for implementing transparency in financial and non-financial conditions in accordance with prevailing regulations. Information on BCA's financial condition has been stated clearly and transparently in a number of reports, both through printed media and BCA's website, including the following:

Transparency of Financial Condition

1. Annual Report

- a. Highlights of important financial data including an overview of shares, Board of Commissioners reports, Board of Directors reports, company profile, management discussion and analysis on business and financial performance, corporate governance, corporate social responsibility and sustainable finance.
- b. Annual Financial Statements audited by a Public Accountant and a Public Accountant Firm registered in OJK. The Annual Financial Statement is prepared for 1 (one) financial year and is presented in comparison with 1 (one) previous financial year, as well as the beginning of the previous comparative year.
- c. Accountability Statement of the Board of Commissioners and Board of Directors verifying the contents of the Annual Report. This is delivered in a statement letter bearing the signatures of all members of the Board of Commissioners and Board of Directors.
- d. In accordance with OJK Regulation No. 32/ POJK.03/2016 dated August 8, 2016 concerning Amendments to the OJK Regulation No. 6/ POJK.03/2015 concerning Transparency and Publication of Bank Reports, and OJK Regulation No. 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies, BCA has submitted its Annual Report to the OJK and shareholders.
- e. The Annual Report (financial and non-financial) and BCA's Financial are posted on BCA's website - www.bca.co.id and published in widely circulated Indonesian newspapers.

2. Quarterly Published Reports

- a. BCA has announced its Quarterly Published Reports in accordance with the prevailing OJK Regulation in newspapers and its website.
- b. The consolidation of BCA and its subsidiaries is carried out in 2 (two) newspapers and the financial statements of the BCA parent entity are published in 1 (one) newspaper. The selected newspapers are printed daily in the Indonesian language with a wide circulation in

the domicile of the BCA head office. Quarterly Published Financial Reports are signed by the President Director and 1 (one) member of the Board of Directors of BCA.

- c. Quarterly Published Reports on the BCA's website, in the form of Financial Report and other reports, are maintained for at least the last 5 (five) financial years.

3. Monthly Published Financial Reports

BCA publishes its Monthly Published Reports in accordance with the prevailing OJK Regulation concerning BCA's website.

Transparency of Non-Financial Condition

BCA has provided clear, accurate and up-to-date information about its products and services. Such information can be obtained easily by customers, including in leaflets, brochures or other written forms at each BCA branch office in locations easily accessed by customers, and/or in the form of electronic information provided through a hotline service/call center or BCA website.

Additionally, BCA also provides and informs customers regarding procedures for customer complaints and dispute resolution, in accordance with regulatory provisions concerning customer complaints and banking mediation.

In connection with the above mentioned, BCA has taken the following actions:

1. Transparently published financial and non-financial conditions to stakeholders, including Periodic Financial Statements, Routine Legal Lending Limit Report to OJK, Quarterly Published Financial Reports, Governance Implementation Report, Analyst Meeting, Press Conference, Public Expose and Road Show, and published them on Quarterly Published Reports BCA's website in accordance with prevailing regulations.
2. Prepared and presented the report according to procedure, type and scope as stipulated in Bank Indonesia regulations concerning Transparency of Bank's Financial Condition.
3. Published BCA product information in accordance with Bank Indonesia/Financial Services Authority regulations regarding Transparency of Bank Product Information and Use of Customer Personal Data.
4. Provided procedures for customer complaints and dispute resolution for customers in accordance with Bank Indonesia/Financial Services Authority regulations governing Customer Complaints and Banking Mediation, such as through the BCA website - www.bca.co.id.
5. Submitted Annual Report to Bank Indonesia/ Financial Services Authority, regulators and other institutions as required or deemed necessary to obtain them.
6. Disclosed the Ownership Transparency Structure in the Annual Report and the BCA website.
7. Compiled internal reports that have been carried out completely, accurately, and in a timely manner, supported by an adequate Management Information System.
8. Provided a reliable BCA management information system supported by competent human resources and an adequate IT security system capable of providing complete, accurate and timely information to the Board of Directors in supporting BCA's business decision making processes. Access to information has also been secured by using user-ID and password.

B. Share Ownership for The Board of Directors and The Board of Commissioners that Amounts to 5% or More

Table of Share Ownership of the Board of Directors that amounts to 5% or More as of December 31 2019

Name	Share ownership of members of the Board of Directors amounting 5% or more of paid-up capital on:			
	BCA	Other Banks	Non Bank Financial Institution	Other Companies
Jahja Setiaatmadja	-	-	-	√
Suwigno Budiman	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Subur Tan	-	-	-	-
Henry Koenafi	-	-	-	-
Erwan Yuris Ang	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Inawaty Handojo	-	-	-	-
Santoso	-	-	-	-
Vera Eve Lim	-	-	-	-

Table of Total Share Ownership by the Board of Directors in 2019

Name	Total Ownership at the Beginning of the Year (as of January 1, 2019)	Total Ownership at the End of the Year (as of December 31, 2019)
Jahja Setiaatmadja	8,103,902	8,007,628
Suwigno Budiman	7,407,206	7,475,051
Armand Wahyudi Hartono	851,213	851,213
Subur Tan	2,705,481	2,773,326
Henry Koenafi	957,138	1,041,883
Erwan Yuris Ang	1,191,967	1,251,720
Rudy Susanto	416,193	480,926
Lianawaty Suwono	126,279	183,694
Inawaty Handojo	102,667	163,374
Santoso	171,140	237,324
Vera Eve Lim	17,000	57,348

Table of Share Ownership of the Board of Commissioners that Amounts to 5% or More as of December 31, 2019

Name	Share Ownership of the Board of Commissioners that amounts to 5% or more of paid-up capital on:			
	BCA	Other Banks	Non-Bank Financial Institution	Other Companies
Djohan Emir Setijoso	-	-	-	√
Tonny Kusnadi	-	-	-	√
Cyrillus Harinowo	-	-	-	√
Dr. Ir. Raden Pardede	-	-	-	√
Sumantri Slamet	-	-	-	-

Remark:

√ owns shares in the amount of 5% (five percent) or more.

Table of BCA Share Ownership by the Board of Commissioners in 2019

Name	Total Ownership In the beginning of the year (as of January 1, 2019)	Total Ownership at the end of year (as of December 31, 2019)
Djohan Emir Setijoso	23,100,481	22,147,163
Tonny Kusnadi	1,137,939	1,175,285
Cyrillus Harinowo	-	-
Raden Pardede	-	-
Sumantri Slamet	-	-

C. Affiliated Relationships

Affiliated relationships among members of the Board of Directors, the Board of Commissioners, and main/ controlling shareholders are as follows:

Affiliated Relationship of Members of the Board of Directors

BCA has disclosed financial and family relationship between members of the Board of Directors and other members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders in the Corporate Governance Implementation Report. It is in accordance with Article 21 Point b of OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.

The majority of the members of BCA Board of Directors is not affiliated with other members of the Board of Directors, members of the Board of Commissioners, or Main and/or Controlling Shareholders.

Board of Directors of BCA follows the principles of integrity and independence, and does not have conflict of interests that may disrupt his/her ability to perform duties professionally and objectively.

Affiliated relationship between members of the Board of Directors and other members of the Board of Directors, members of the Board of Commissioners, and Main and/or Controlling Shareholders is shown in the table below.

Table of Affiliated Relationship of BCA's members of Board of Directors

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	-	√	-	√	-	√	-	√	-	√	-	√
Suwarno Budiman	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Henry Koenafi	Director	-	√	-	√	-	√	-	√	-	√	-	√
Subur Tan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Erwan Yuris Ang	Independent Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Inawaty Handojo	Director (concurrently Compliance Director)	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√

Affiliated Relationships of Members of the Board of Commissioners

BCA has disclosed financial and family relationship between member of the Board of Commissioners and other members of the Board of Commissioners, members of the Board of Directors, and/ or controlling shareholders in the corporate governance implementation report.

The disclosure is in line with Article 39 Point b of OJK Regulation No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks.

All members of the Board of Commissioners of BCA do not have any affiliated relationships of family, financial, management, and ownership relationship with other members of the Board of Commissioners, members of the Board of Directors, or main and/or controlling shareholders.

The Board of Commissioners of BCA follows the principles of integrity and independence, and does not have conflicts of interest that may disrupt his/ her ability to perform duties professionally and objectively.

Affiliated relationship between members of the Board of Commissioners and other members of the Board of Commissioners, members of the Board of Directors, and main and/or controlling shareholders is shown in the table below.

Table of Affiliated Relationships of the Board of Commissioners of BCA

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
Djohan Emir Setijoso	President Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Tonny Kusnadi	Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Cyrillus Harinowo	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Raden Pardede	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Sumantri Slamet	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

D. Remuneration Policy

1. Remuneration for the Board of Directors

Remuneration for BCA Board of Directors has been adjusted to the prevailing regulations and based on the procedures, structures and indicators, which form the basis of remuneration determination.

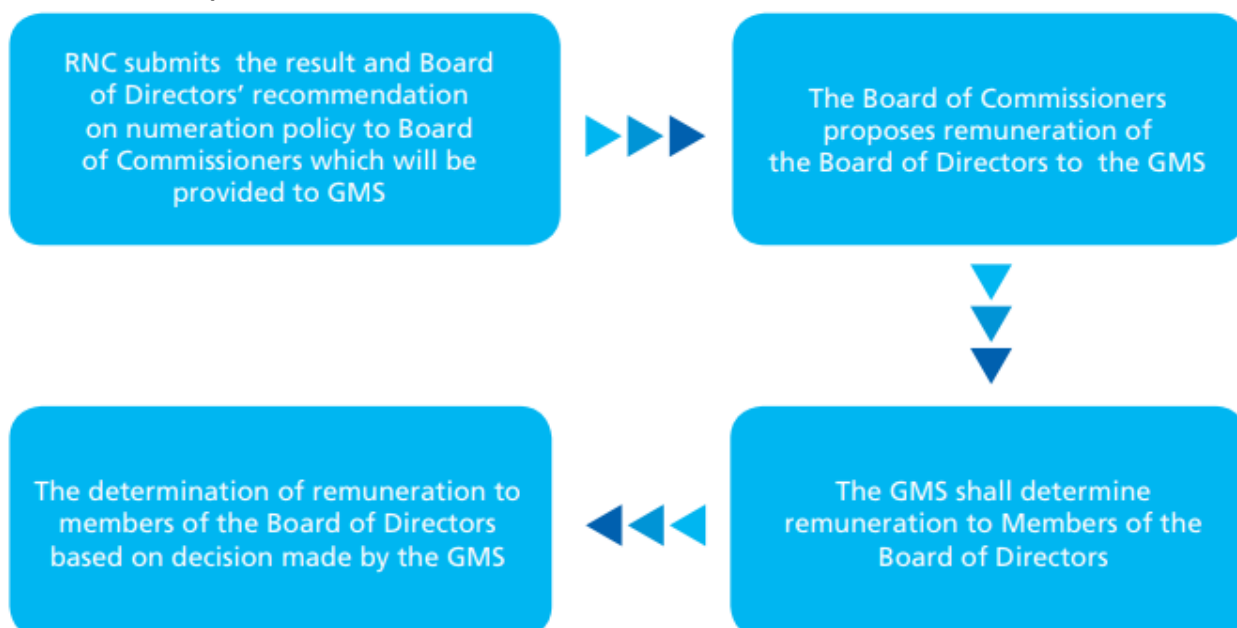
Procedure

Based on resolution of BCA Annual GMS held in 2019, the GMS authorized and granted:

- The Board of Commissioners to determine the amount of salary and other allowances to members of the Board of Directors;
- The Majority Shareholder to determine tantiem distribution among members of the Board of Commissioners and the Board of Directors.

In exercising such power and authority, the Board of Commissioners observes the recommendations from the RNC.

Procedure of Proposal and Determination of Remuneration for the Board of Directors Scheme



Remuneration Structure of the Board of Directors

Types of Remuneration and Facilities	Amount Received in 1 (one) year	
	Board of Directors	
	Number of People	in million Rupiah
Salary, bonus, routine allowance, tantiem, and other non-natura facilities	11	456,602
Other facilities in the form of natura (housing, health insurance, etc) that :		-
1. Can be possessed	-	-
2. Cannot be possessed	-	-
Total	11	456,602

The amount of remuneration for each member of the Board of Directors in 1 (one) year is above Rp2 billion, which was received in cash during 2019.

2. Remuneration for the Board of Commissioners

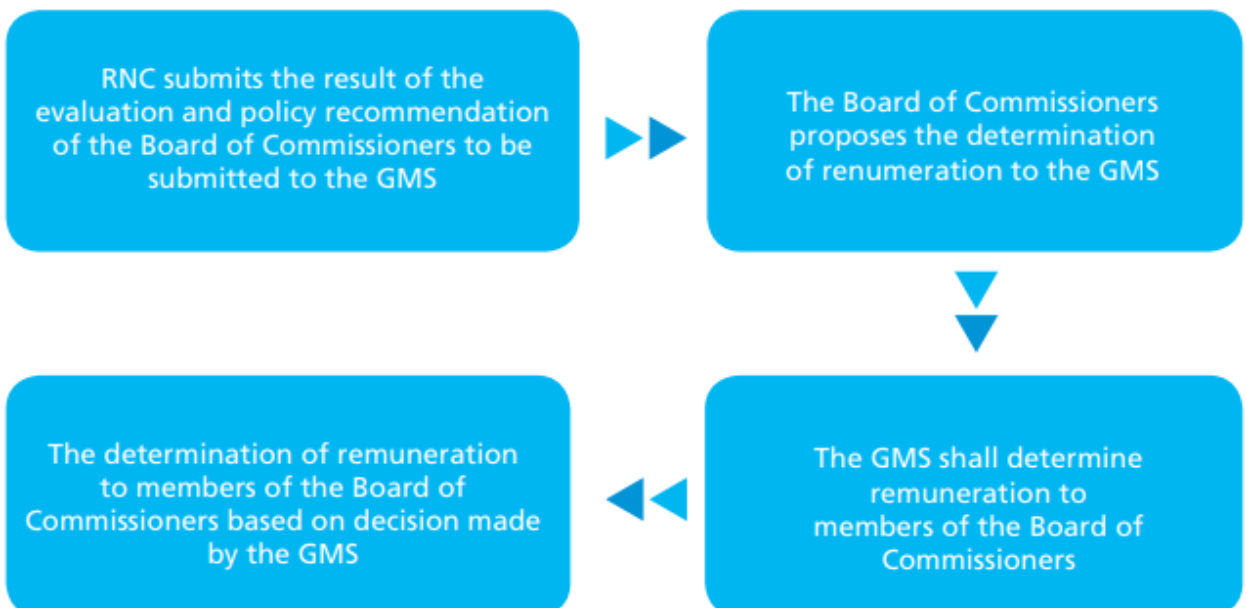
The remuneration of BCA's Board of Commissioners has been adjusted to the prevailing regulations and is based on the procedures, structure, and indicators that form the basis for determining the remuneration.

Procedure

Based on resolution of BCA Annual GMS held in 2019, the GMS authorized and granted the majority shareholder to determine:

- Amount of honorarium and other allowances to be paid by BCA to the members of the Board of Commissioners who served during fiscal year 2019.
- Tantiem distribution among members of the Board of Commissioners and Board of Directors of BCA.

Procedure of Proposal and Determination of Remuneration for the Board of Commissioners Scheme



Remuneration Structure of the Board of Commissioners

Types of Remuneration and Facilities	Amount Received in 1 (one) year	
	Board of Commissioners	
	Number of people	In million Rupiah
Salary, bonus, routine allowance, tantiem, and other non-natura facilities	5	134.313
Other facilities in the form of natura (housing, health insurance, etc) that :		
1. Can be possessed	-	-
2. Cannot be possessed	-	-
Total	5	134.313

The amount of remuneration for each member of the Board of Commissioners in 1 (one) year is above Rp2 billion, which was received in cash during 2019.

E. Stock Option

During 2019, BCA did not hold a stock options program.

F. The ratio of the highest and lowest salaries

Highest and lowest salary ratios.

The ratio of the highest to the lowest salary, which includes:

- 1) The highest and lowest salary of employees ratio = 25.37
- 2) The highest and lowest salary of the Board of Directors ratio = 2.81
- 3) The highest and lowest salary of the Board of Commissioners ratio = 1.62
- 4) The highest salary of the Board of Directors and highest salary of employees ratio = 8.68

Ratio	Comparative Scale
Highest and lowest employee salary ratio	32,37
Highest and lowest Board of Directors salary ratio	3,00
Highest and lowest Board of Commissioners salary ratio	1,62
Highest Board of Directors and employee salary ratio	7,44

G. Meetings of The Board of Directors, Board of Commissioners and Joint Meetings

Board of Directors Meetings

Disclosure of the Board of Directors Meetings is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 concerning the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of the Annual Report, which states that the Governance Report of Issuer or Public Company contains a brief description of the policy and implementation of the frequency of meetings, joint meeting of Boards of Commissioners and Directors, attendance of members of the Boards of Commissioners and Directors in the meeting.

Meeting Policy

Policies and implementation of the frequency of Board of Directors meetings, including joint meetings with the Board of Commissioners, and the attendance of members of the Board of Directors in meetings have been set in the corporate governance guidelines at BCA in part II of the guidelines on procedures for implementing corporate governance principles - Chapter IV regarding guidelines and code of conducts of the Board of Directors. The policy states that Board of Directors meetings must be held at 1 (one) time each month and meetings of the Board of Directors with the Board of Commissioners are held periodically at least one time in four months.

Quorum and Decision Making Method

Decision making in a Board of Directors meeting is considered valid and binding if more than one half of the total number of Board of Directors present or represented at the meeting. This provision is in accordance with article 13 paragraph 8 of BCA's Articles of Association.

Decisions are made by consensus agreement. If the deliberation does not reach consensus, then the decision is made based on agreed votes of more than one half of the total number of valid votes cast at the meeting. All decisions taken at Board of Directors meetings are binding. Dissenting opinions that occur in the Board of Directors meeting and their reasons must be clearly stated in the minutes of their meeting.

Implementation

Throughout 2019, the Board of Directors held 36 (thirty six) meetings. BCA has complied with OJK Regulation regarding the minimum frequency of Board of Directors meetings.

Frequency of Attendance and Schedule of Board of Directors

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	36	33	92%
Eugene Keith Galbraith*	Deputy President Director	12	9	75%
Suwigno Budiman**	Deputy President Director	36	30	83%
Armand Wahyudi Hartono	Deputy President Director	36	29	81%
Subur Tan***	Director	36	28	78%
Henry Koenafi	Director	36	29	81%
Erwan Yuris Ang	Independent Director	36	27	75%
Rudy Susanto	Director	36	32	89%
Lianawaty Suwono	Director	36	34	94%
Santoso	Director	36	28	78%
Inawaty Handojo****	Compliance Director	36	34	94%
Vera Eve Lim	Director	36	27	75%

Information:

* Mr Eugene Keith Galbraith ended his term in the AGMS on April 11 2019.

** Mr Suwigno Budiman assumes the position of Deputy President Director based on OJK Letter No. 38/KDK.03/2019 dated August 14 2019.

*** Mr Subur Tan served as Compliance Director until October 3, 2019

**** Mrs Inawaty Handojo assumes the position of Compliance Director based on OJK Letter No. 39/KDK.03/2019 dated August 14 2019.

Meeting Plan of Directors in 2020

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

The schedule for the Board of Directors meetings may change from time to time as deemed necessary.

The Board of Directors meeting schedule has been posted on the BCA website since December 2019 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi>.

Board of Commissioners Meetings

Meeting disclosure is based on Financial Services Authority Circular Letter No. 30/SEOJK.04/2016 on the Form and Contents of the Annual Report of the Issuer or Public Company in Chapter III on the Content of Annual Report, which states that the Governance Report of the Issuer of Public Company contains a brief description of the policy and implementation of the frequency of meetings, including joint meetings with the Board of Directors, and the attendance of the members of the Board of Commissioners in the meetings.

Meeting Policy

The policies and implementation of the frequency of meetings of the Board of Commissioners, including joint meetings of the Board of Directors, and the attendance of members of the Board of Commissioners in the meeting have been regulated in the corporate governance guidelines part B chapter 2 on Guidelines and Code of Conduct of the Board of Commissioners, which among others regulates:

a. Meeting Frequency

Meetings of the Board of Commissioners must be held periodically, at least 1 (one) time in 2 (two) months.

b. Scheduling and Meeting Materials

Material for scheduled meetings must be submitted to meeting participants, no later than 5 (five) working days before the meeting is held.

c. Minutes of Board of Commissioners' Meeting

- The results of the Board of Commissioners meeting must be stated in the minutes of meeting signed by all members of the Board of Commissioners present.
- Meetings held through teleconferencing technology should be recorded and the minutes of meeting and should be signed by all BOC teleconferencing participants.
- Minutes of Board of Commissioners' meetings that have been signed by all members of the Board of Commissioners present at the meeting must be distributed to all members of the Board of Commissioners.

Quorum and Decision Making

Decision making at a Board of Commissioners meeting is considered valid and binding if more than 1/2 (one half) of the total number of members of the Board of Commissioners are present or represented at the meeting. This provision is in accordance with article 16 paragraph 8 of BCA's Articles of Association.

Decisions are made by consensus agreement. If the deliberation does not reach consensus, then the decision is made based on majority votes. All decisions taken at Board of Commissioners meetings are binding. Dissenting opinions that occur in the Board of Commissioners' meeting and the reasons thereof must be clearly stated in the minutes of meeting.

Implementation

Throughout 2019, BCA held 37 (thirty seven) Board of Commissioners meetings. BCA has fulfilled the provisions of the OJK Regulation on the minimum frequency of Board of Commissioners' meetings.

The frequency of the Board of Commissioners meetings and the attendance of members of the Board of Commissioners throughout 2019 are as follows:

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	37	35	95%
Tonny Kusnadi	Commissioner	37	34	92%
Cyrellus Harinowo	Independent Commissioner	37	33	89%
Raden Pardede	Independent Commissioner	37	33	89%
Sumantri Slamet	Independent Commissioner	37	34	92%

Meeting Plan of the Board of Commissioners for 2020

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

The schedule of the Board of Commissioners' meetings may change from time to time as deemed necessary. The schedule of Board of Commissioners meeting plan for 2020 has been posted on the BCA website since December 2019 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi>.

Attendance Frequency of the Board of Directors in Joint Meetings of the Board of Commissioners and the Board of Directors in 2019

Name	Position	Number of Meetings	Attendance	Percentage
Jahja Setiaatmadja	President Director	20	15	75%
Eugene Keith Galbraith*	Deputy President Director	6	6	100%
Suwignyo Budiman**	Deputy President Director	20	18	90%
Armand Wahyudi Hartono	Deputy President Director	20	13	65%
Subur Tan***	Director	20	19	95%
Henry Koenafi	Director	20	15	75%
Erwan Yuris Ang	Independent Director	20	11	55%
Rudy Susanto	Director	20	18	90%
Lianawaty Suwono	Director	20	17	85%
Santoso	Director	20	16	80%
Inawaty Handojo****	Compliance Director	20	20	100%
Vera Eve Lim	Director	20	20	100%

Remarks:

* Mr Eugene Keith Galbraith ended his term in the AGMS on April 11 2019.

** Mr Suwignyo Budiman assumes the position of Deputy President Director based on OJK Letter No. 38/KDK.03/2019 dated August 14 2019.

*** Mr Subur Tan served as Compliance Director until October 3, 2019

**** Mrs Inawaty Handojo assumes the position of Compliance Director based on OJK Letter No. 39/KDK.03/2019 dated August 14 2019.

Attendance Frequency of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors in 2019

Name	Position	Number of Meetings	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	20	19	95%
Tonny Kusnadi	Commissioner	20	18	90%
Cyrillus Harinowo	Independent Commissioner	20	17	85%
Raden Pardede	Independent Commissioner	20	17	85%
Sumantri Slamet	Independent Commissioner	20	19	95%

Joint Meeting Plan of the Board of Commissioners and the Board of Directors for 2020

January - April		May - August		September - December	
Month	Date	Month	Date	Month	Date
January	-	May	-	September	-
February	26	June	17	October	21, 28
March	18	July	29	November	25
April	29	August	26	December	16

The joint meeting schedule above mentioned may change from time to time as deemed necessary.

The joint meeting plan of the Board of Commissioners and the Board of Directors in 2020 has been posted in BCA website since December 2019 and can be accessed at <https://www.bca.co.id/en/Tentang-BCA/Tata-Kelola-Perusahaan/Struktur-Organisasi>.

H. Internal Fraud

The Company discloses internal fraud pursuant to section 64 of OJK Regulation No.55/ POJK.03/2016 on the Implementation of GCG for Commercial Banks and Section IX item 5 of OJK Circular Letter No.13/SEOJK.03/2017 in the Implementation of GCG for Commercial Banks.

Internal fraud is defined as fraud committed by management, supervisors, permanent and contract employees, or outsourced workers. Classified as fraud is a case where the financial loss or potential financial loss exceeds Rp100,000,000 (one hundred million).

Table of Fraud by Management, Permanent Employee, and Non-Permanet Employee

Internal Fraud in 1 year	Number of cases committed by:					
	Members of BoD and BoC		Permanent Employees		Contract and Outsourced Employees	
	2018	2019	2018	2019	2018	2019
Total Fraud	-	-	7	7	-	-
Settled	-	-	7	7	-	-
In internal settlement process	-	-	-	-	-	-
Settlement process has not been done	-	-	-	-	-	-
In legal process	-	-	-	-	-	-

I. Legal Cases

Legal proceedings disclosure is carried out based on item 6 section IX on Transparency on GCG Implementation in OJK Circular Letter No. 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks.

The legal cases are both criminal and civil, and in 2019, 2018, and 2017 the cases BCA faced are presented in the table below:

1. Criminal Cases

Details of criminal cases faced by BCA during 2019, 2018 and 2017 are as follows:

Criminal Cases	2019	2018	2017
Legally settled (a verdict has been issued with legal power)	8	11	5
In settlement process	5	4	4
Total	13	15	9

2. Civil Cases

The civil cases faced by BCA during 2019, 2018 and 2017 are detailed below:

Civil Case	2019	2018	2017
Legally settled (a verdict has been issued with legal power)	123	120	98
In settlement process	144	145	173
Total	267	265	271

BCA faced civil cases among others as a result of:

- 1) Lawsuit filed on accounts inherited by late customers' heirs.
- 2) Customer claims/appeal against account blocking by BCA at the request of the Court, Tax Office and or other third parties.
- 3) Lawsuit filed by customers/other third parties on payment transactions, transfers, balances, and/or disbursement of documents.
- 4) Lawsuit on the use and payment of credit card bills.
- 5) Lawsuit filed by third parties on disputes over BCA properties i.e. land and buildings.
- 6) Lawsuits on accounts of legal entities that resulted from disputes on legal entities and/or association.
- 7) Lawsuit/appeal filed by BCA on the settlement of bad loans and saving collateral.
- 8) Lawsuit/rebuttal of debtor (husband/wife), collateral owner and/or other parties related to foreclosure, auction and or cleaning up foreclosed collateral.
- 9) Lawsuit/rebuttal of debtor (husband/wife) and or third parties on credit and/or collateral.
- 10) Lawsuit filed by BCA or its employees on industrial relations.

BCA did not face significant risks due to current legal issues as, based on self-assessment results, it had a "low" level of legal risk.

Significant Cases And Administrative Sanctions Towards The Violations

Significant cases faced by BCA, subsidiaries, members of the Board of Directors and Board of Commissioners are disclosed pursuant to Letter G Chapter III – of OJK Circular Letter No.30/SEOJK.04/2016 on Content of Annual Report on Financial for Issuers or Public Companies Disclosure of important cases throughout 2019 is described as follows:

1. Important cases faced by BCA, members of Board of Directors of BCA, and members of Board of Commissioners.

Throughout 2019, BCA, none of the members of BCA's Board of Directors and Board of Commissioners of BCA were involved in any important case, whether criminal and/or civil.

2. Important cases faced by BCA Subsidiaries.

During 2019, BCA Subsidiaries faced the following cases:

Subsidiary	Case Status	Civil	Criminal
PT BCA Finance	Resolved with permanent legal force	27	0
	In the process of settlement	75	0
PT BCA Multi Finance (formerly PT Central Santosa Finance)	Resolved with permanent legal force	7	0
	In the process of settlement	1	0
BCA Finance Ltd	Resolved with permanent legal force	0	0
	In the process of settlement	0	0
PT Bank BCA Syariah	Resolved with permanent legal force	0	0
	In the process of settlement	5	0
PT Asuransi Umum BCA	Resolved with permanent legal force	0	0
	In the process of settlement	0	0
PT Asuransi Jiwa BCA	Resolved with permanent legal force	0	0
	In the process of settlement	0	0
PT BCA Sekuritas	Resolved with permanent legal force	0	0
	In the process of settlement	0	0
PT Central Capital Ventura	Resolved with permanent legal force	0	0
	In the process of settlement	0	0
PT Bank Royal Indonesia	Resolved with permanent legal force	1	0
	In the process of settlement	2	0

Important Cases Faced by Members of the Boards of Directors and Commissioners of BCA Subsidiaries

Throughout 2019, BCA, none of the members of the Boards of Directors and Commissioners of BCA and subsidiaries was involved in an important case, whether criminal and/or civil.

All important legal issues and cases faced by BCA throughout 2019 did not have a material impact on BCA's and its subsidiaries' financial position and business sustainability.

Administrative Sanctions From Related Authorities

During 2019, there was no administrative sanctions that may have impacted the sustainability of BCA's business, nor was there one imposed on the members of its Boards of Directors and or Commissioners from the relevant authorities.

J. Transactions with Conflict of Interests

Policy related to conflicts of interest

BCA's policy on conflict of interest regulates that everyone working for BCA (including members of the Boards of Directors and Commissioners) must know and avoid activities that may contain conflict of interests.

To ensure that each transaction is made in the best interests of BCA and to prevent conflicts of interest from taking place in an affiliated transaction, particularly in a material transaction with a related party that has been proposed to the management, BCA has authorized its audit committee to examine and provide advice to the Board of Commissioners on such transactions.

In incorporating BCA's policy on conflicts of interest with integrated governance, the Board of Directors also ensures that BCA's intra-group transaction risk management is free from conflicts of interest that may occur between BCA and the entities under the Group.

Disclosure

All transactions containing conflicts of interest are disclosed based on BCA Circular Letter No.03/2017 on GCG Implementation for Commercial Banks.

Throughout 2019 BCA did not make any transactions that contained conflicts of interest.

Name and position of parties that have conflicts of interest	Name and position of decision makers	Type of transaction	Value of transaction	Description
-	-	-	-	-

K. Shares Buy Back

During 2019, BCA did not hold a shares buy back program.

L. Distribution of Fund For Social Activities

BCA actively contributes towards the improvement of people's welfare and the environmental conditions through its corporate social responsibility (CSR) activities under the Bakti BCA program.

Bakti BCA is focused on 3 (three) primary pillars:

I. BCA Smart Solutions, comprising:

1. Non-Title Accounting Education Program (PPA).
2. Non-Title Informatics Engineering Education Program (PPTI).
3. Bakti BCA Internship Program.
4. Bakti BCA Partner School.
5. Bakti BCA Scholarship.
6. Financial Literacy Education.
7. Education Partnership.

II. BCA Synergy Solution, comprising:

1. Bakti BCA on Culture.
2. Bakti BCA on Health.
3. Bakti BCA on Environment.
4. Bakti BCA on Sports.
5. Bakti BCA Empathy in the form of donation for disaster victims, and sports program.

III. Business Excellence Solution,

1. Tourism Village Development.
2. Community Development.
3. Micro, Small and Medium Enterprises (MSME) Development.

Other than the abovementioned programs, BCA also take part in making donations to other social institutions. Complete information on BCA's social activities and total funding for social activities in 2019 is listed in the Corporate Social Responsibility chapter in this 2019 BCA Annual Report.

M. Donation For Political Activities

Throughout 2019, and in previous years, BCA has never made any donations for political activities.

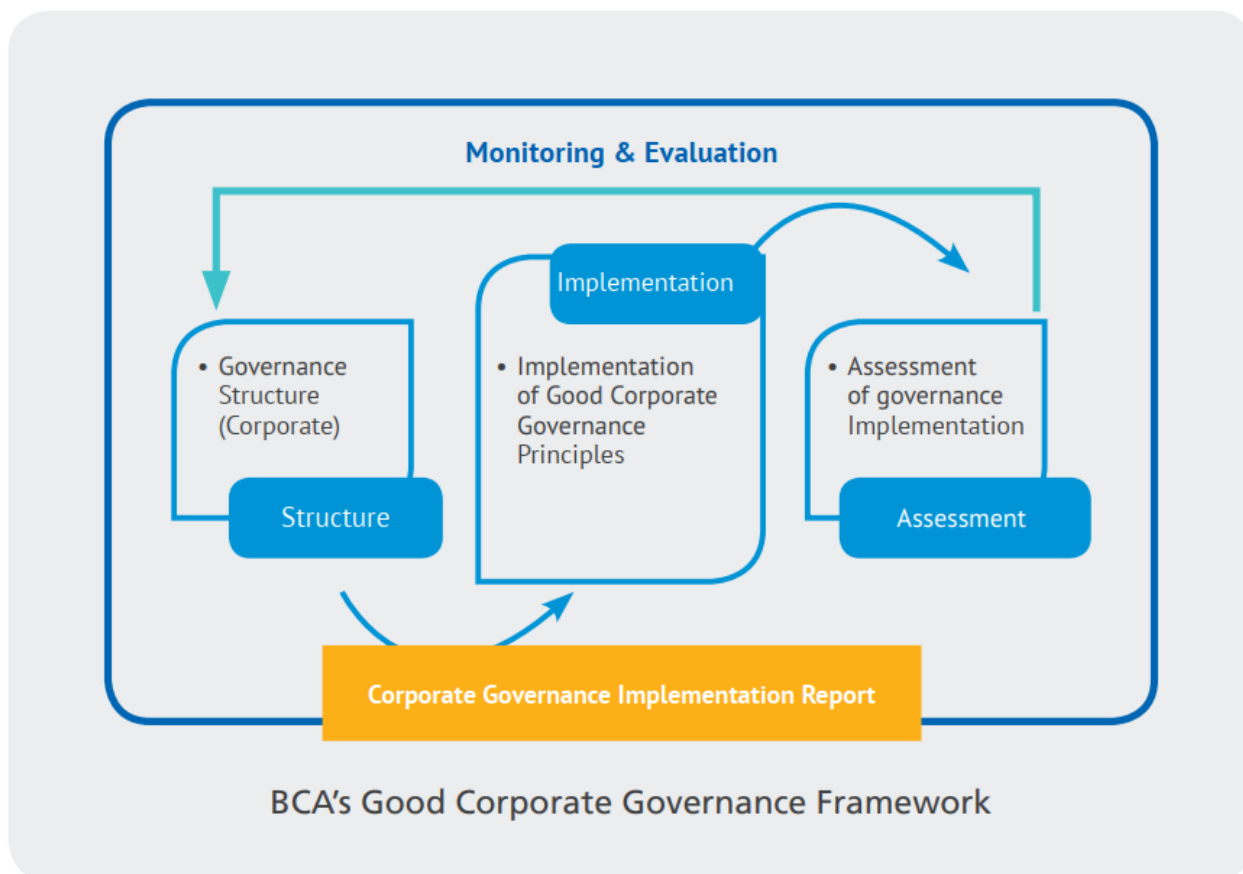
Self-Assessment Result on the Implementation of Good Corporate Governance

Main Entity : PT Bank Central Asia Tbk

Report Position : 31 December 2019

Self-assessment Result of the Application of Good Corporate Governance		
	Rank	Rank Definition
Individual	2	BCA management has applied good governance in general. The results are reflected in the adequate over the principles of governance. If flaws exist in the application of the principles of governance, generally they are insignificant and easily handled by normal measure within BCA management.

Analisis
<p>Based on self-assessment analysis on governance structure, process, and outcome aspects in each Good Corporate Governance Implementation Assessment Factor, can be concluded as follows:</p> <ol style="list-style-type: none">1. Governance structure aspect on all Good Corporate Governance Implementation Assessment Factors are complete and fully sufficient.2. Governance process aspect on all Good Corporate Governance Implementation Assessment Factors are highly effective and supported by fully sufficient structure and infrastructure (governance structure).3. Governance outcome aspect on mostly all Good Corporate Governance Implementation Assessment Factors are of high quality resulting from mostly effective governance process that is fully supported by sufficient structure and infrastructure (governance structure).



The Good Corporate Governance framework at BCA consists of a governance structure as a foundation, implementation as an embodiment of the implementation of governance principles, and the assessment towards the implementation of corporate governance as a parameter for implementing Corporate Governance principles at BCA. This parameter is used by BCA organs as an indicator to continue to make sustainable improvements in implementing the principles of Good Corporate Governance. Disclosure of the Corporate Governance framework is stipulated in the Corporate Governance Implementation Report.

To timely determine the required action plan, BCA periodically conducts comprehensive self-assessment of the application adequacy of good corporate governance. BCA's 2019 good corporate governance action plan is as follows.



Remarks:

* Improvement is a the results follow-up of monitoring aimed at providing added value, refinement and/or correction in implementing the principles of governance at BCA. Improvements that have been conducted in 2019 include:

- Corporate Governance Guidelines update.
- Renewing policies regarding Corporate Governance, among others:
 - a. Internal audit function;
 - b. Audit committee;
 - c. Conflict of interest;
 - d. Affiliate transaction.
- Affiliated transactions reporting campaigning to work units.
- The corporate governance section update website to facilitate the provision of good corporate governance information for stakeholders and the public.
- Implementation of ASEAN CG Scorecard Indicators.
- Campaigning on good corporate governance through uploaded articles related to corporate governance on BCA internal portal as well as endorsement that discusses issues surrounding good corporate governance, including related to the new capital market regulations of the regulator, corporate governance issues, and implementation of good corporate governance at BCA.