

AFFILIATED TRANSACTIONS AND CONFLICT OF INTEREST TRANSACTIONS

Affiliated and Conflict of Interest Transaction Policy

BCA has policies related to affiliated transaction and conflict of interest transaction as stipulated in the Board of Directors Decree No. 214/SK/DIR/2019 dated December 27, 2019 concerning Affiliated Transactions and Conflict of Interest Transactions and the Circular Letter No. 319/SE/POL/2019 dated December 27, 2019 concerning the Guidelines for the Implementation of Affiliated Transactions and Conflict of Interest Transactions. The main points of the Affiliated Transaction and Conflict of Interest Policy can be found in the GCG Policy Section of the BCA website (<https://www.bca.co.id/en/about-bca/tata-kelola/acgs/policy-gcg>).

BCA continuously ensure the conformity of internal policy to the applicable regulatory development. Considering the issuance of OJK Regulation No. 42/POJK.04/2020 dated July 2, 2020 concerning Affiliated Transactions and Conflict of Interest Transactions. In addition, in 2021 BCA has also conducted socialization to branch offices and related work

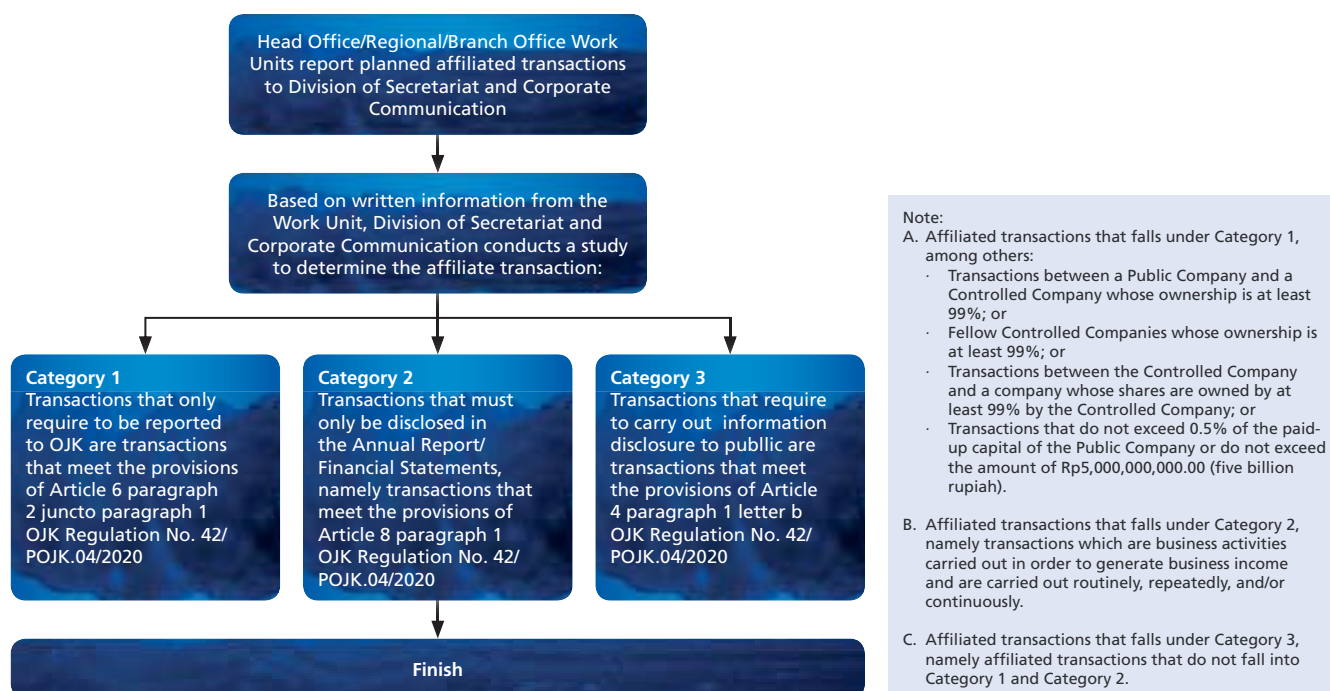
units at regional offices and head office regarding affiliated transactions in accordance with OJK Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions.

Review Mechanism and Approval of Affiliated and Conflict of Interest Transactions

Every work unit who conducts the transactions with the affiliated parties must inform to the Division of Secretariat and Corporate Communication in written form and accompanied with the required data. The Division of Secretariat and Corporate Communication is coordinating with the relevant work unit to analyze, in order to follow-up actions in accordance with applicable regulations that need to be carried out in connection with the proposed transaction.

To ensure that each of the transaction is conducted in the best interest of BCA and prevent any conflict of interest to be happened from the affiliated transactions plan, particularly in the material related party transactions that proposed by management, therefore an Audit Committee has the authority to review and provide an advice regarding to those transactions to the Board of Commissioners.

Flow of reporting mechanism for affiliated transactions and conflict of interest transactions at BCA



1. Affiliated and Related Party Transactions

Affiliated Parties

The BCA's affiliated parties are as follows:

- Employees, Directors and Commissioners of BCA.
- BCA's Major Shareholder, who are the individual or entities, directly and indirectly own at least 20% (twenty percent) of the voting rights of the total shares with voting rights issued by BCA or less than those amounts as stipulated by OJK.
- Controlled Company of BCA, is the company that has been controlled by BCA, either directly or indirectly.
- Company that has one or more Board of Directors or Commissioners who also serve/hold concurrent position as the Director or Commissioner of BCA.
- Company that has been controlled by the BCA's Major Shareholder.
- Any individuals who has the family relationship due to the marriage and the family lines up to the second degree, either horizontally or vertically with the Board of Directors members, Board of Commissioners members, and/or Major Shareholders of BCA.

Related Parties

In addition to the explanations of the Affiliates mentioned above, this Annual Report also contains details of the disclosures of BCA's related parties, the nature of the relationship and the nature of the transactions carried out, as well as details of significant balances and transactions with related parties in accordance with PSAK 7 (Revised 2015). This can be seen in the audited Consolidated Financial Statements in Note No. 49 which is part of this Annual Report.

Affiliated Transactions Realization in 2021

Affiliated Transactions Reported to OJK in 2021 (Category 1)

Throughout 2021, there were 13 (thirteen) BCA affiliated transactions in accordance with OJK Regulation No. 42/POJK.04/2020 concerning Affiliated Transaction and Conflict of Interest Transactions, must be reported to OJK. The details for the above mentioned transactions are as follows:

No.	Date	Type of Transaction	Affiliated Party	Transaction Value	Nature of Relationship
1	January 20, 2021	Lease Agreement of the BCA The City Tower Office Space	PT Bank Digital BCA	Rp15,870,000,000.00	Transaction between BCA and BCA's Subsidiaries
2	June 29, 2021	Lease Agreement for Space	PT Cipta Karya Bumi Indah	Rp4,094,195,760.00	Transaction between BCA and the company controlled by BCA's Major Shareholder
3	July 30, 2021	Lease Agreement for Space	PT Puri Dibya Property	Rp2,964,000,000.00	
4	September 20, 2021	Purchase Agreement BCA Young Community Software and its Implementation	PT Ansvia	Rp1,870,000,000.00	
5	September 29, 2021	Services Agreement on Software Recode Jvalas HTML and Chat Engine Implementation	PT Dart Media Indonesia	Rp1,210,000,000.00	
6	November 22, 2021	Agreement on the MC2 2021 Software Revision	PT Ansvia	Rp110,000,000.00	
7	November 25, 2021	Services Agreement on the Development and Implementation for the Regulatory Technology Application GHK and Agreement on Purchasing for the Supporting License Module.	PT Prosa Solusi Cerdas	Rp2,915,000,000.00	
8	December 20, 2021	Infrastructure Provider and Services related to the Bank Indonesia Infrastructure: Fast Payment (BI-FAST).	PT Bank BCA Syariah	Revenue for BCA Rp1,400,000,000,00.00 (first year until fifth year) and Rp1,750,000,000.00 (sixth year until tenth year)	Transaction between BCA and BCA's Subsidiaries
9	December 28, 2021	Services Agreement on the Software Order Management System Implementation	PT Dart Media Indonesia	Rp1,237,500,000.00	Transaction between BCA and the company controlled by BCA's Major Shareholder

No.	Date	Type of Transaction	Affiliated Party	Transaction Value	Nature of Relationship
10	December 30, 2021	Lease Agreement for Space	PT Asuransi Umum BCA	Rp2,393,479,704.00	Transaction between BCA and BCA's Subsidiaries
11	December 30, 2021	Lease Agreement for Space	Dana Pensiun BCA	Rp790,614,000.00	
12	December 30, 2021	Lease Agreement for Space	PT Multi Finance BCA	Rp468,694,301.00	

Equity Participation Transaction on the Subsidiaries

No.	Date	Type of Transaction	Affiliated Party	Transaction Value	Nature of Relationship
1	September 10, 2021	Continuous of BCA's Equity Participation on the PT Bank Digital BCA	PT Bank Digital BCA	Rp2,712,800,000,000.00	Transaction between BCA and BCA's Subsidiaries

Affiliated Transaction that are Business Activities in 2021 (Category 2)

Throughout 2021, there were 181 transactions with a total value of Rp659,334,930,087.00, which are considered as business activities carried out in order to generate business income and are carried out routinely, repeatedly, and/or continuously, of which transactions with relatively large values were as follows:

No.	Date	Type of Transaction	Affiliated Party	Transaction Value	Nature of Affiliated Relationship
1	December 15, 2021	Work period Compensation Fund Program	DPLK BCA Life	Rp500,000,000,000.00	Transaction between BCA and Companies controlled by BCA's Major Shareholders
2	May 10, 2021	Telecommunication Infrastructure Subscription Services and Information Technology Facilities	Iforte Solusi Infotek	Rp96,039,048,814.00	
3	April 13, 2021	Enhancement To The Security Key For Echannel Applications	Akar Inti Teknologi	Rp32,999,999,999.00	
4	January 5, 2021	Office Facilities Management and Support in BCA Wisma Asia I building	Dana Purna Investama	Rp12,111,677,300.00	
5	January 26, 2021	Purchase Order of Tablet	Global Digital Niaga	Rp2,270,124,120.00	
6	February 5, 2021	Rent, Electricity Lumpsum, Service Charge, Promotion Levy	Grand Indonesia	Rp2,102,926,501.00	
7	June 4, 2021	Upgrade Subscription Link Internet Indosat Inp and Inix	Angkasa Komunikasi Global Utama	Rp1,617,000,000.00	
8	December 28, 2021	License Renewal for Voice Biometric Prosa	Prosa Solusi Cerdas	Rp1,595,000,000.00	
9	August 27, 2021	Outsourcing Services	Dana Purna Investama	Rp1,403,631,246.00	
10	June 4, 2021	Subscription Renewal for Link Open IXP and IIX	Angkasa Komunikasi Global Utama	Rp1,254,733,333.00	

In addition to the transaction, there are 171 other transactions with a total value of Rp7,940,788,744.00 which are not described in detail in this Annual Report, considering that the value of each transaction is relatively small (immaterial).

Affiliated Transactions Disclosed to Public in 2021 (Category 3)

Throughout 2021 there are no Affiliated Transactions that required to be disclosed to the public as regulated in OJK Regulation No. 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions.

Fairness of Transaction

The principles that must be considered when conducting the transactions with affiliated parties are as follows:

- Must adhere to the principles of Good Corporate Governance, which are transparency, accountability, responsibility, independency, and fairness.
- Must ensure the appropriateness, fairness, and requirements of the transactions (arm's length transaction).

Affiliated transactions that had been carried out by BCA during 2021 are fair and at arm's length transactions.

Compliance of Affiliated Transactions with Applicable Procedures

Transactions conducted with affiliated parties are implemented with consideration primarily to provide optimal benefits for BCA. During implementation, all affiliated transactions that occurred in 2021 have been through the procedures related to affiliated transactions that were established by BCA.

2. Conflict of Interest Transactions

Policy Related to Conflict of Interest

In accordance with the BCA's Code of Ethic, the decision making process does not influenced by other parties and any conflict of interest. The result of decision making and the existing conflict of interest are always recorded and documented as the evidence.

BCA's conflict of interest policy as stated in the Board of Directors Decree No. 219/SK/DIR/2003 dated November 10, 2003 concerning Provisions Regarding Conflicts of Interest has regulated that all of BCA's personnel must know and aware of any activities that has the possibility or potential conflict of interest and must avoid those activities. As part of management of potential conflict of interest, BCA required all of the echelon 5 employees and above to sign the Annual Disclosure (as disclosed in the Internalization section of the Introduction to Governance chapter of this Annual Report).

In relation to Integrated Governance, the Board of Directors of BCA also ensure that implementation of risk management of intra-group transactions within Financial Conglomerate are free from conflict of interest between each individual of the Financial Services Institution.

Policy of Conflict of Interest for Board of Commissioners and Board of Directors

Provisions related to conflict of interest for Board of Commissioners and Board of Directors are regulated under BCA Governance Guidelines, which regulate the following:

- Board of Commissioners members and/or Board of Directors members who have the conflict of interest are prohibited to make any decisions and/or actions and/or being involved in the process of executing the transactions that brings disadvantage to BCA or reduce profit of BCA and have to disclose the conflict of interest condition in each of decision.
- Board of Directors members are not authorized to represent BCA, in cases or transactions where the member of director has conflict of interest with BCA.

Compliance of Conflict of Interest Transactions with Applicable Procedures

Throughout 2021, member of Board of Commissioners and Board of Directors have managed the potential for a conflict of interest as regulated in the applicable regulations, among others, if a member of the Board of Commissioners or a member of the Board of Directors has a conflict of interest, the member of the Board of Commissioners or member of the Board of Directors who has a conflict of interest will not participate in decision making.

Independent Parties in Affiliated and Conflict of Interest Transactions

In accordance with the applicable provisions set forth in BCA's internal policy, if there is a transaction with the affiliated party that required to be disclosed to public and to be reported to OJK, then BCA will appoint the independent appraiser to evaluate the fairness of its transaction value.

In the event that there are transactions conducted by BCA with third parties that contain differences between the economic interests of BCA and the economic interests of members of the Board of Directors, members of the Board of Commissioners, major shareholders or Controlling Shareholders that may harm BCA, BCA is required to use an independent appraiser to determine the fair value of the object of the transaction and/or the fairness of the transaction as well as to obtain an approval from Independent Shareholder of BCA through Independent GMS.