

**ANNUAL REPORT OF THE INTEGRATED GOVERNANCE
IMPLEMENTATION**

FINANCIAL CONGLOMERATION PT BANK CENTRAL ASIA Tbk

FINANCIAL YEAR 2021

ANNUAL REPORT OF THE INTEGRATED GOVERNANCE IMPLEMENTATION OF THE FINANCIAL CONGLOMERATION PT BANK CENTRAL ASIA Tbk FINANCIAL YEAR 2021

PT Bank Central Asia Tbk (“BCA”) as the Main Entity in the BCA’s Financial Conglomerate is required to prepare and submit Annual Report of the Integrated Governance Implementation to the Financial Services Authority.

The preparation of Annual Report of the Integrated Governance Implementation of the BCA’s Financial Conglomerate for Financial Year 2021 refers to:

1. OJK Regulation No. 18/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Governance for Financial Conglomerates;
2. OJK Regulation No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.
3. OJK Circular Letter No. 15/SEOJK.03/2015 dated May 25, 2015 concerning the Implementation of Integrated Governance for Financial Conglomerates.
4. OJK Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Good Corporate Governance for Commercial Banks.

Annual Report of the Integrated Governance Implementation of the BCA’s Financial Conglomerate for financial year 2021, as follows:

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	1. Transparency in the Implementation of Governance as stipulated in the Chapter IX of the OJK Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017;		
	2. Self Assessment Report on the Implementation of Governance in 2021 as stipulated in Attachment IV of the OJK Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017; and		
	3. The Good Corporate Governance Action Plan for the year 2021 as stipulated in the Chapter X of the OJK Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017.		

I. SELF-ASSESSMENT ON THE IMPLEMENTATION OF INTEGRATED GOVERNANCE REPORT FOR 1 (ONE) FISCAL YEAR

In accordance with the provisions of OJK Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Governance for Financial Conglomerates Article 44 and 45 in Chapter VIII and OJK Circular Letter No. 15/SEOJK.03/2015 concerning Implementation of Integrated Governance for Financial Conglomerates, BCA as the Main Entity, is required to prepare the assessment report on the integrated governance implementation periodically, which will be submitted to OJK.

Assessment of the implementation of Integrated Governance is conducted every semester (twice a year). Throughout 2021, BCA as the Main Entity conducted the assessment on the Integrated Governance implementation in the first semester and second semester. The assessment covers three integrated governance aspects: Structure, Process, and Results of Integrated Governance.

The assessment on Implementation of Integrated Governance covers at least 7 (seven) factors, as follows:

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

Main Entity : PT Bank Central Asia Tbk
Position of Report : December 31, 2021

Result of Self-Assessment Implementation of Integrated Governance

	Rank	Definition of Rank
1 st Semester	1	The Financial Conglomerate has implemented Integrated Governance that is generally very good. This is reflected in the adequate fulfillment of the implementation of Integrated Governance principles. In the event of weaknesses in the implementation of Integrated Governance, the weaknesses are not significant in general and can be immediately corrected by the Main Entity and/or FSI
2 nd Semester	1	The Financial Conglomerate has implemented Integrated Governance that is generally very good. This is reflected in the adequate fulfillment of the implementation of Integrated Governance principles. In the event of weaknesses in the implementation of Integrated Governance, the weaknesses are not significant in general and can be immediately corrected by the Main Entity and/or FSI

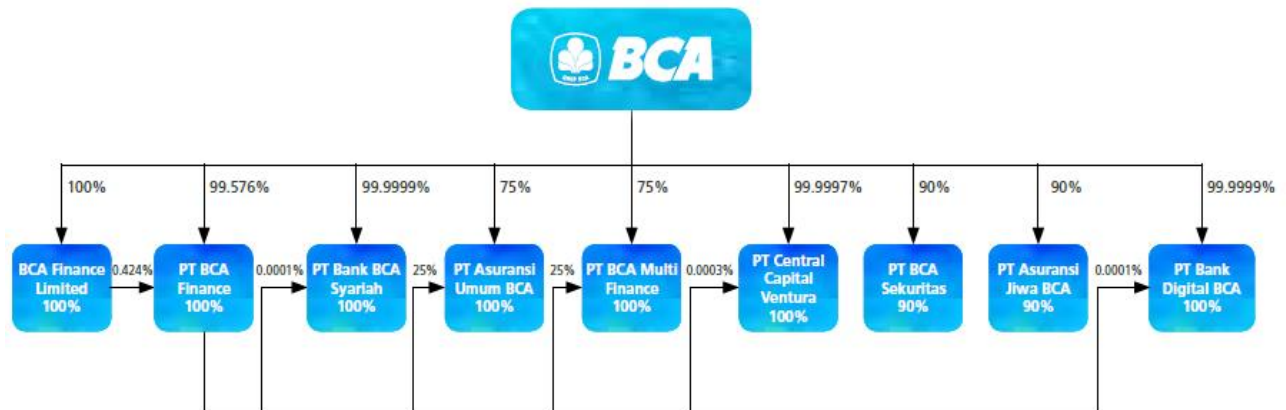
Analysis:

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

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

II. FINANCIAL CONGLOMERATE STRUCTURE OF BCA AS OF 31 DECEMBER 2021

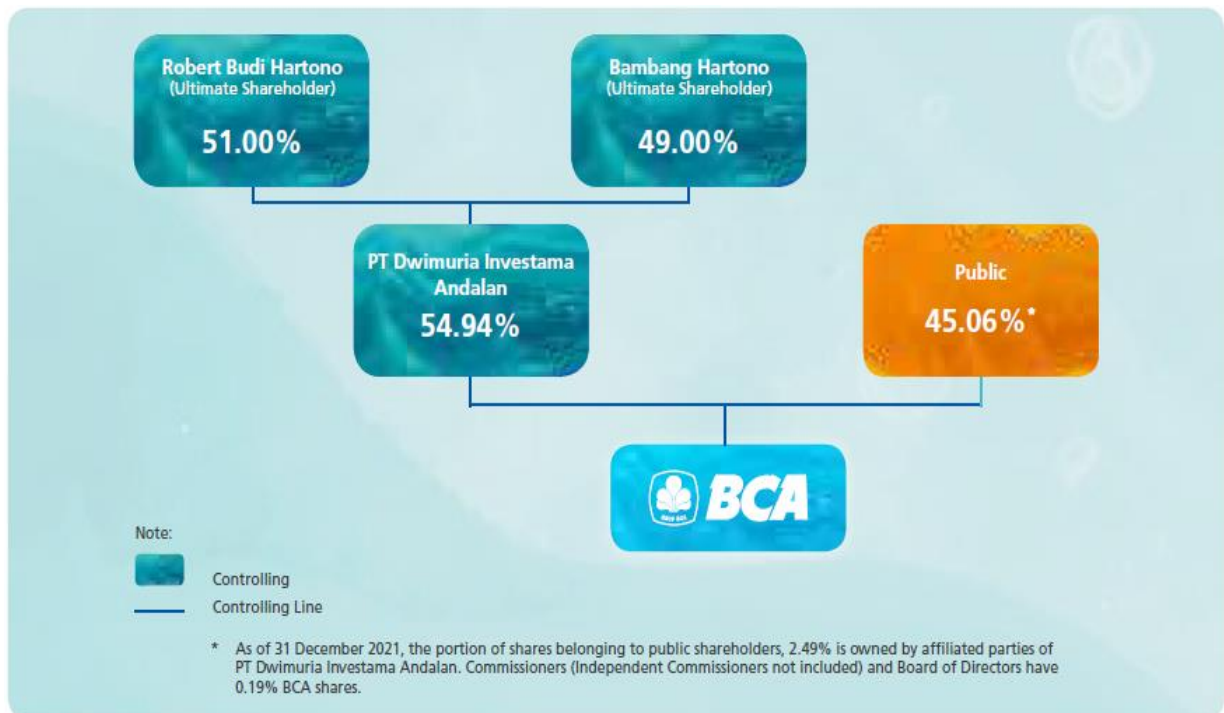
Financial conglomerate structure of BCA as of 31 December 2021 as follows:



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

As of 31 December 2021, share ownership structure of PT Bank Central Asia Tbk in the Financial Conglomerate, as follows:

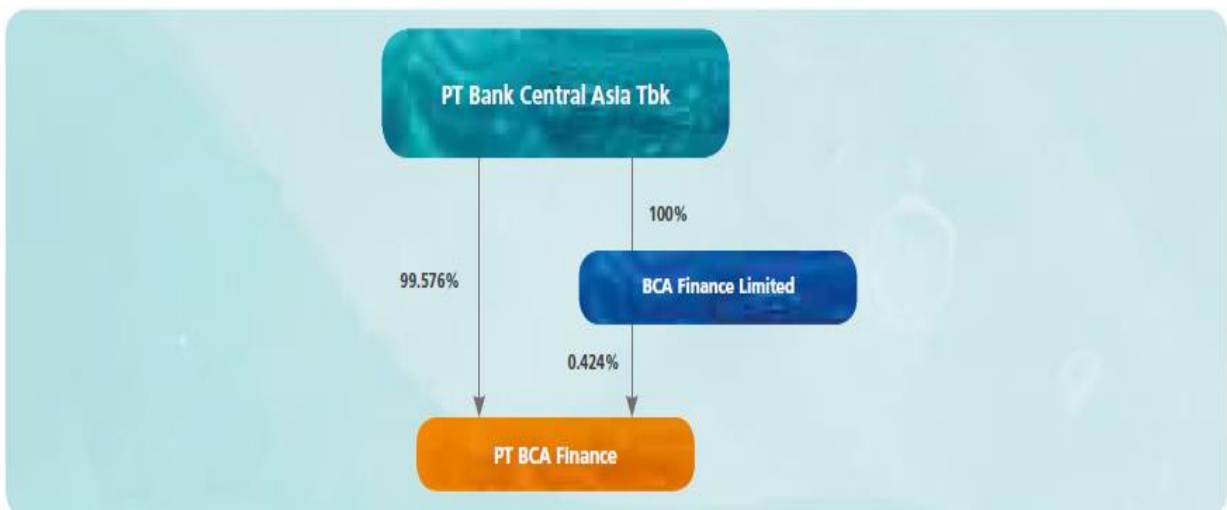
• SHARE OWNERSHIP STRUCTURE AT PT BANK CENTRAL ASIA TBK AS THE MAIN ENTITY



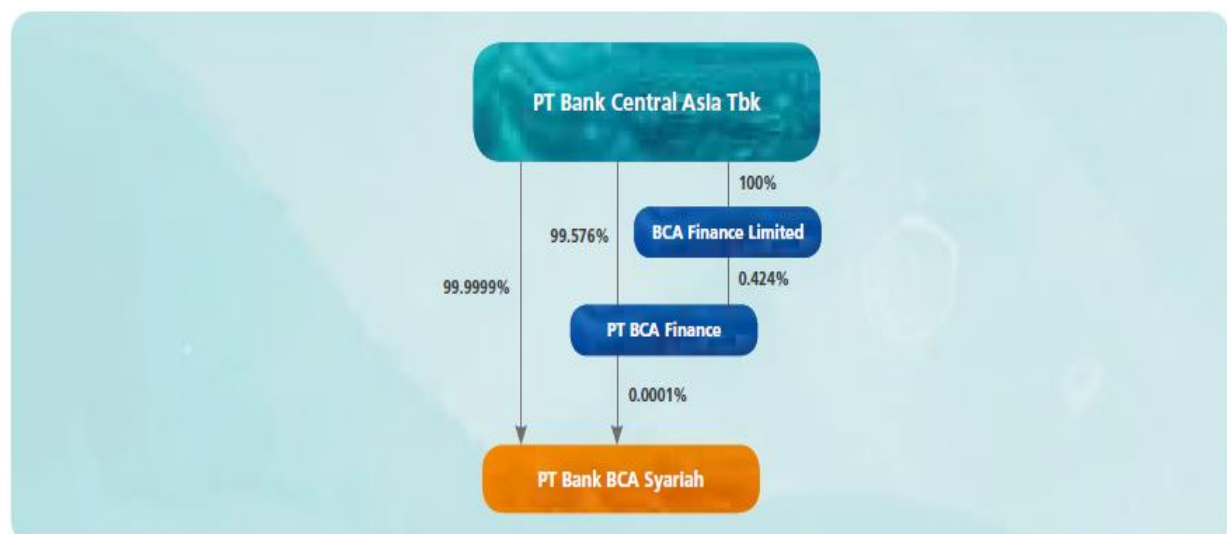
- SHARE OWNERSHIP STRUCTURE BCA FINANCE LIMITED



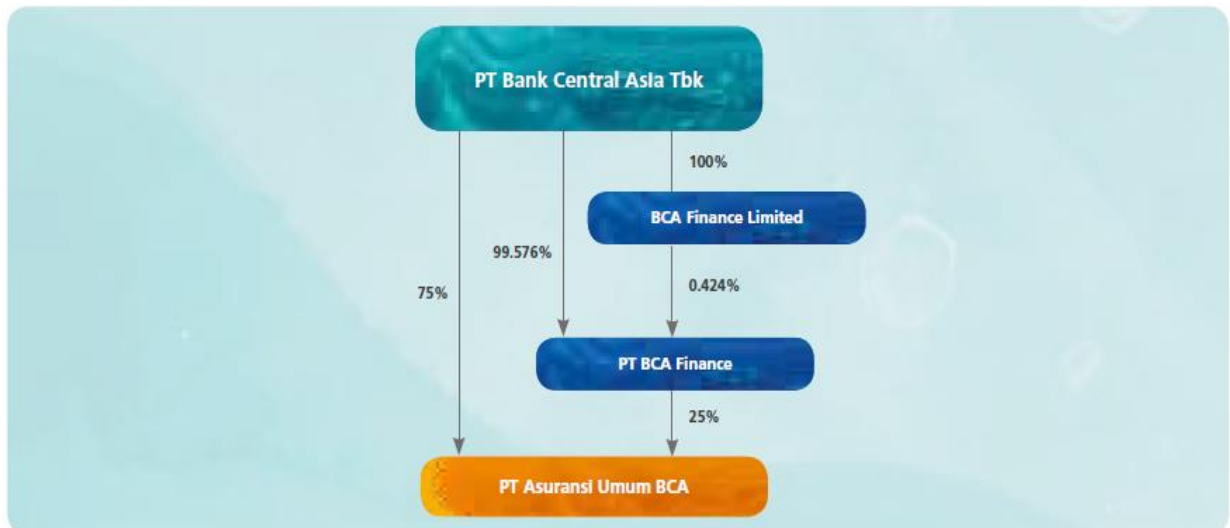
- SHARE OWNERSHIP STRUCTURE PT BCA FINANCE



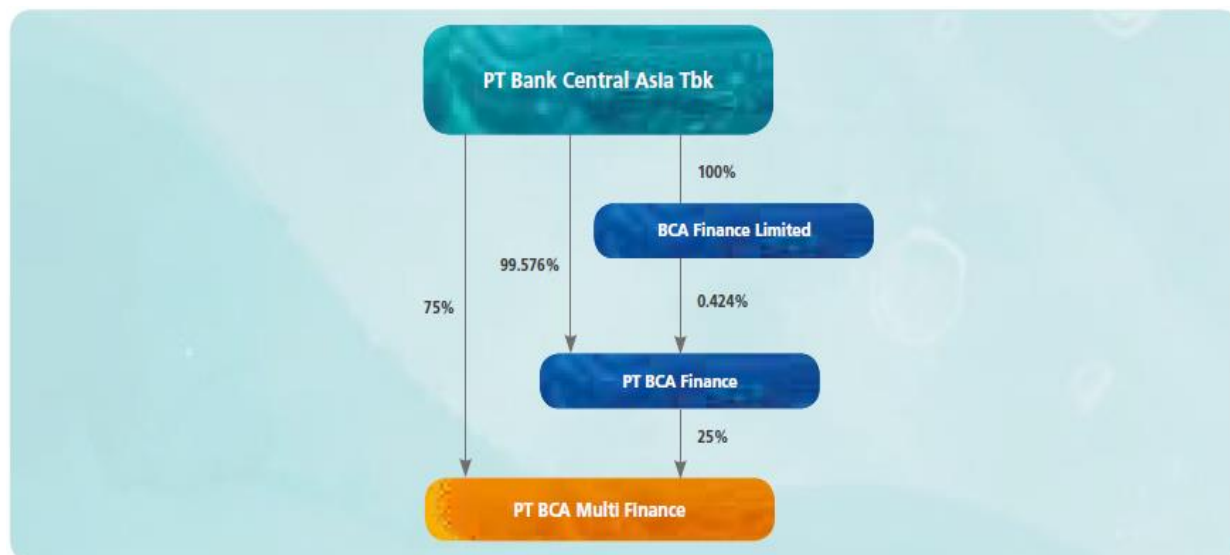
- SHARE OWNERSHIP STRUCTURE PT BANK BCA SYARIAH



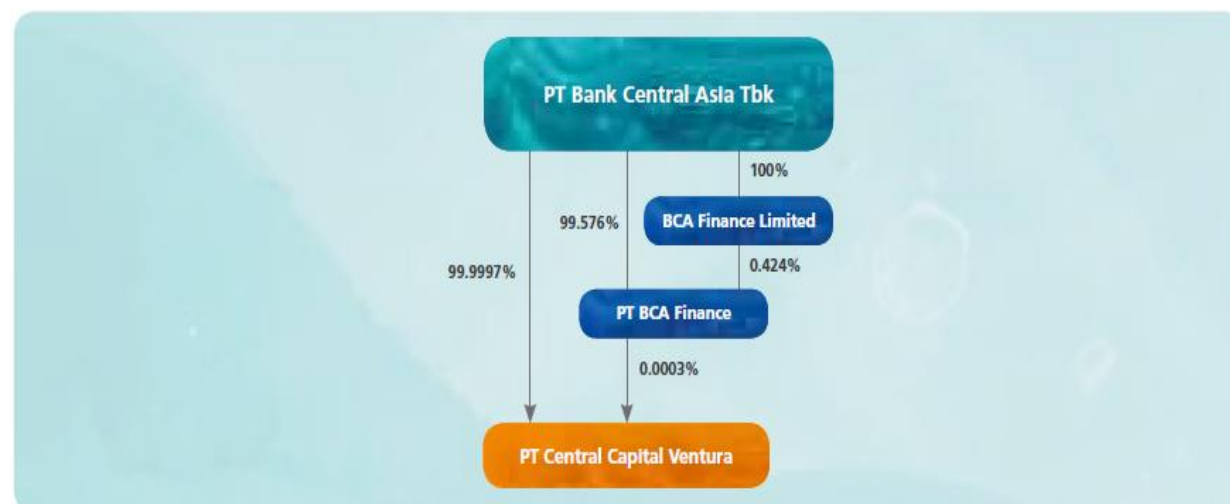
- SHARE OWNERSHIP STRUCTURE PT ASURANSI UMUM BCA



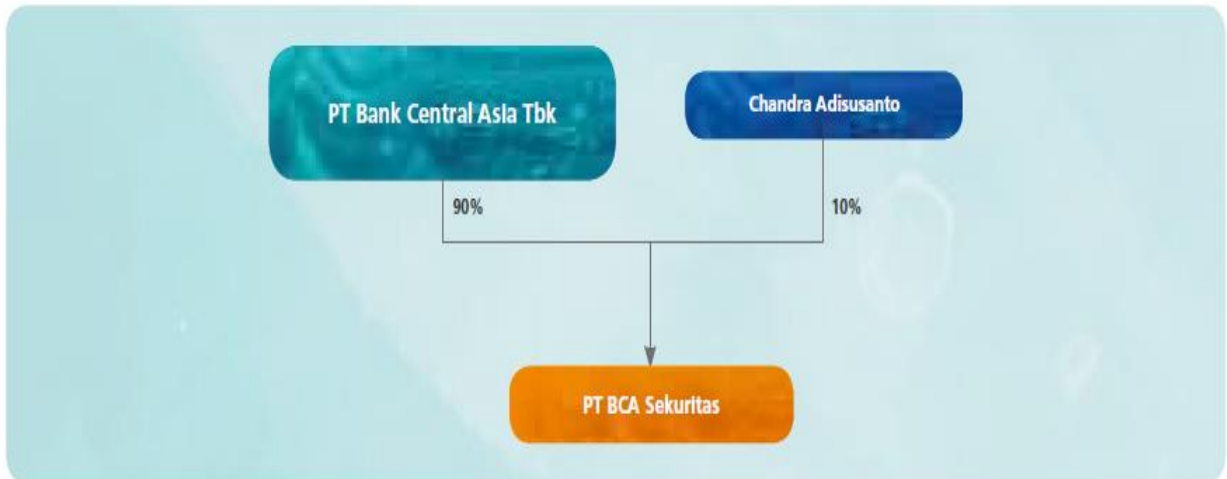
- SHARE OWNERSHIP STRUCTURE PT BCA MULTI FINANCE



- SHARE OWNERSHIP STRUCTURE PT CENTRAL CAPITAL VENTURA



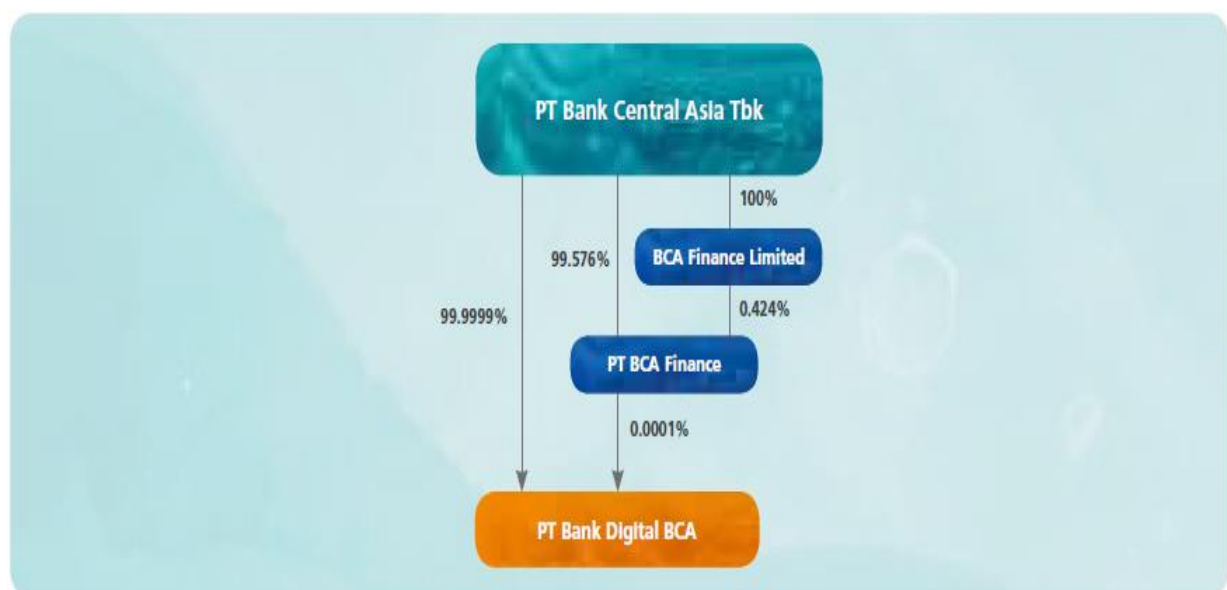
- SHARE OWNERSHIP STRUCTURE PT BCA SEKURITAS



- SHARE OWNERSHIP STRUCTURE PT ASURANSI JIWA BCA



- SHARE OWNERSHIP STRUCTURE PT BANK DIGITAL BCA



IV. MANAGEMENT STRUCTURE IN BCA FINANCIAL CONGLOMERATE

Management Structure at PT BANK CENTRAL ASIA Tbk (Main Entity)

BOARD OF COMMISSIONER	
Position	Name
President Commissioner	Djohan Emir Setijoso
Commissioner	Tonny Kusnadi
Independent Commissioner	Cyrellus Harinowo
Independent Commissioner	Raden Pardede
Independent Commissioner	Sumantri Slamet
BOARD OF DIRECTOR	
Position	Name
President Director	Jahja Setiaatmadja
Vice President Director 1	Suwarno Budiman
Vice President Director 2	Armand Wahyudi Hartono
Director	Tan Ho Hien/Subur atau Subur Tan
Director	Henry Koenalifi*
Director	Erwan Yuris Ang*
Director	Rudy Susanto
Director	Lianawaty Suwono
Director	Santoso
Director	Vera Eve Lim
Director	Gregory Hendra Lembong
Director of Compliance	Haryanto T. Budiman
Director	Frengky Chandra Kusuma**
Director	John Kosasih***
Note: * Mr. Henry Koenalifi and Mr. Erwan Yuris Ang finished serving at the AGMS on March 29, 2021 ** Mr. Frengky Chandra Kusuma served as Director based on OJK Letter No. 39/KDK.03/2021 dated April 26, 2021. *** Mr. John Kosasih serves as Director based on OJK Letter No. 40/KDK.03/2021 dated April 26, 2021.	

Duties and Responsibilities of Main Entity's Board of Commissioners and Board of Directors

1. Duties and responsibilities of Main Entity's Board of Commissioners:
 - a. Monitoring the implementation of Integrated Governance.
 - b. In the efforts to monitor the implementation of Integrated Governance as mentioned above, at least:
 - 1) Monitor the implementation of governance in each Subsidiary for conformity with the Integrated Governance Guidelines;
 - 2) Monitor the implementation of duties and responsibilities of the Board of Directors of the Main Entity, as well as providing directives or advice to the Board of Directors of the Main Entity over the implementation of Integrated Governance Guidelines; and
 - 3) Evaluate the Integrated Governance Guidelines and provide directives for improvement.
 - c. Hold a meeting at least once every semester. The meeting can be held through video conference.
 - d. Outlining the meeting resolutions in well documented minutes of the meeting, as well as clearly stating the dissenting opinions occurring in the meeting, complete with the reason for the dissenting opinion.
 - e. Establish the Integrated Governance Committee.
2. Duties and Responsibilities of Main Entity's Board of Directors:
 - a. Ensure the implementation of integrated governance in the Financial Conglomerate;
 - b. In the efforts to ensure the implementation of Integrated Governance as mentioned above, at least:
 - 1) Formulating integrated governance guidelines;
 - 2) Direct, monitor, and evaluate the implementation of the Integrated Governance Guidelines; and

- 3) Follow-up the directives or advice from the Board of Commissioners of the Main Entity in the effort to improve the Integrated Governance Guidelines.
- c. Ensure that audit findings and recommendations from the integrated internal audit unit, external auditors, results of OJK's monitoring and/or monitoring results of other authorities have been followed-up by the Subsidiary.

Management Structure of FSI in the BCA's Financial Conglomerate

MANAGEMENT STRUCTURE BCA FINANCE LIMITED

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

MANAGEMENT STRUCTURE PT BCA FINANCE

BOARD OF COMMISSIONER	
Position	Name
President Commissioner	Jacobus Sindu Adisuwono*
President Commissioner	Henry Koenalifi**
Commissioner	David Hamdan
Independent Commissioner	Sulistiyowati

Notes:

* served until August 2, 2021

** served since August 2, 2021

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

MANAGEMENT STRUCTURE PT BANK BCA SYARIAH

BOARD OF COMMISSIONER	
Position	Name
President Commissioner	Tantri Indrawati
Independent Commissioner	Suyanto Sutjiadi*
Independent Commissioner	Joni Handrijanto
Independent Commissioner	Ratna Yanti**

Notes:

* served until February 24, 2021

** served since February 24, 2021

DIRECTOR	
Position	Name
President Director	John Kosasih*
President Director	Yuli Melati Suryaningrum**
Compliance Director	Houda Muljanti
Director	Rickyadi Widjaja
Director	Pranata

Notes:

* served until May 19, 2021

** served since May 19, 2021

SHARIA SUPERVISORY BOARD

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

MANAGEMENT STRUCTURE PT ASURANSI UMUM BCA

BOARD OF COMMISSIONER

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

Notes:

* served until August 2, 2021

** served since August 2, 2021

DIRECTOR

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

MANAGEMENT STRUCTURE PT BCA MULTI FINANCE

BOARD OF COMMISSIONER

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

DIRECTOR

Position	Name
President Director	Herwandi Kuswanto
Director	Senjaya Komala
Director	Adhi Purnama
Director	Liston Nainggolan
Director	Suiman Agung

MANAGEMENT STRUCTURE PT CENTRAL CAPITAL VENTURA

BOARD OF COMMISSIONER

Position	Name
Commissioner	Jan Hendra

DIRECTOR

Position	Name
President Director	Armand Widjaja
Director	Michelle Suteja

MANAGEMENT STRUCTURE PT BCA SEKURITAS

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Dharwin Yuwono
Independent Commissioner	Hendra Iskandar Lubis

DIRECTOR

Position	Name
President Director	Mardi Henko Sutanto
Director	Imelda Arismunandar

MANAGEMENT STRUCTURE PT ASURANSI JIWA BCA

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Christina Wahjuni Setyabudhi
Commissioner	Eva Agrayani Tjong*
Commissioner	Ugahary Yowvy Chandra**
Independent Commissioner	Pudjianto
Independent Commissioner	Hardjono

Notes:

* served until August 31, 2021

** served since September 22, 2021

DIRECTOR

Position	Name
President Director	Rio Cakrawala Winardi
Director	Yannes Chandra
Director	Antonius Widodo Mulyono
Compliance Director	Sukawati Lubis
Director	Eva Agrayani Tjong*

Notes:

* served since September 22, 2021

MANAGEMENT STRUCTURE PT BANK DIGITAL BCA

BOARD OF COMMISSIONER

Position	Name
President Commissioner	Theresia Endang Ratnawati
Independent Commissioner	Ignatius Djulianto Sukardi
Independent Commissioner	Sri Indrajanti Dewi

DIRECTOR

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

Duties and Responsibilities of the Board of Commissioners, Board of Directors, and Sharia Supervisory Board in the BCA Financial Conglomerate

1. The Financial Services Institution (FSI) Board of Commissioners' duties and responsibilities in the BCA financial conglomerate, include:
 - a. Supervising the implementation of corporate governance implementation, duties and responsibilities of the Board of Director and reviewing the audit results from internal and external parties;

- b. Establishing committee or appointing the parties to perform functions that support the duties and responsibilities of the Board of Commissioners, at least the audit supervision committee or function, and compliance supervision committee or function;
 - c. Organizing the Board of Commissioners meeting, which covers at least the frequency, attendance and decision making procedures; and
 - d. Compose the Board of Commissioner's work rules.
2. FSI Board of Directors' duties and responsibilities in the BCA financial conglomerate, covering at least:
 - a. Implement the corporate governance principles in the subsidiaries;
 - b. Review the audit results from the internal and external;
 - c. Prepare the work rules; and
 - d. Organize the Board of Directors meeting which covers at least the decision making procedures and the meeting documentation.
3. FSI Sharia Supervisory Board duties and responsibilities in the BCA financial conglomerate, covering at least:
 - a. Provide an advice and recommendation to the Board of Directors and supervise the BCA Syariah Bank activities in accordance to the Sharia Principles; and
 - b. Prepare the Sharia Supervisory Board work rules.

Structure of Integrated Governance in the BCA Financial Conglomerate

Entity	Integrated Governance Committee*	Compliance Function	Internal Audit Function	Risk Management Function
PT BCA Tbk (Main Entity)	√	√ (Including Integrated Compliance Function)	√ (Including Integrated Internal Audit Function)	√ (Including Integrated Risk Management Function)
PT BCA Finance Limited	-	√	√	√
PT BCA Finance	-	√	√	√
PT Bank BCA Syariah	-	√	√	√
PT Asuransi Umum BCA	-	√	√	√
PT BCA Multi Finance	-	√	√	√
PT Central Capital Ventura	-	√	√	√
PT BCA Sekuritas	-	√	√	√
PT Asuransi Jiwa BCA	-	√	√	√
PT Bank Digital BCA	-	√	√	√

*) The Integrated Governance Committee is compulsory to be formed in the Main Entity which consist of the representative of the Independent Board of Commissioner and/or Sharia Supervisory Board members from each of the FSI in the BCA Financial Conglomerate.

Integrated Governance Committee

In accordance with the Board of Commissioners Decree No. 037/SK/KOM/2015 concerning the Establishment of Integrated Governance Committee dated February 26, 2015, BCA has formed the Integrated Governance Committee which consist of the BCA's Independent Board of Commissioner's representative, independent party, and all of the BCA's Independent Board of Commissioner and/or Sharia Supervisory Board representative of the subsidiaries members. The Integrated Governance Committee duty is to assist the Board of Commissioners of the main entity in supervising the implementation of Integrated Governance in the BCA Financial Conglomerate.

Throughout 2021, some adjustments were made to the Integrated Governance Committee due to:

- a. The composition changes in the Board of Commissioners of subsidiaries;
- b. The addition of FSI (subsidiaries);
- c. Addition of Subsidiary in the form of Financial Service Institutions.

Integrated Compliance Work Unit

BCA as the main entity in the BCA financial conglomerate has added the integrated compliance function in the Compliance Work Unit to supervise and evaluate the implementation of compliance in each of the FSI in the BCA financial conglomerate through coordination with compliance function in each of subsidiaries.

The integrated Compliance Work Unit has the following duties and responsibilities:

- a. Monitor and evaluate the implementation of the compliance function of the Subsidiaries.
- b. Develop the required methods and processes to implement Integrated Compliance Risk Management.
- c. Assess and prepare the integrated compliance risk profile based on the implementation of integrated risk management.
- d. Prepare report on the implementation of integrated compliance duties and responsibilities and submit to the Compliance Director of the Main Entity. The Compliance Director prepares and submits the report on the implementation of duties and responsibilities of integrated compliance to the Board of Directors and Board of Commissioners of the Main Entity.

Integrated Internal Audit Work Unit

BCA as the main entity in the BCA financial conglomerate has added the integrated internal audit function in the Internal Audit Division to monitor the implementation of the internal audit function on each of the FSI in the BCA financial conglomerate and provide recommendations to increase the added value.

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

- a. Assess the adequacy and effectiveness of risk management internal control, and governance processes of the Subsidiaries, as well as providing improvement recommendations;
- b. Monitor the implementation of internal audits in the Subsidiaries;
- c. Monitor and evaluate the appropriateness of recommendations based on audit results of the Subsidiaries, as well as submitting the report to the Board of Directors, Board of Commissioners, and audit committee of the Main Entity;
- d. Submit the integrated internal audit report to the Director appointed to supervise the Subsidiaries, the Board of Commissioners of the main entity, as well as the Director in charge of the compliance function of the Main Entity;
- e. Provide support to Subsidiaries in developing the internal audit function.

Integrated Risk Management Implementation

In accordance with the OJK Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA and the subsidiaries in the BCA financial conglomerate have implemented the integrated risk management comprehensively and effectively based on the characteristics and complexity of the Financial Conglomerate's business.

In the implementation of integrated risk management, BCA as the main entity has established the Integrated Risk Management Committee (IRMC) and added the Integrated Risk Management Function in the Risk Management Work Unit which also serves as the Integrated Risk Management Work Unit.

- BCA's IRMC consists of BCA's Subordinating Director of the Integrated Risk Management Function, all of the Board of Director members, some of the related BCA's senior management, and Director of subsidiaries as the representative from the FSI in BCA's financial conglomerate.

- In carrying out the function, IRMC is also supported by the Integrated Risk Management Work Unit to ensure that the risks faced by the main entity and the subsidiaries are integrated which can be identified, measured, supervised, controlled, and reported correctly through the implementation of the suitable risk management framework. Duties and responsibilities of the Integrated Risk Management Work Unit, as follows:
 - a. Provide recommendation to the Board of Directors of the main entity and IRMC, including the preparation of and improvements to the Integrated Risk Management Policy.
 - b. Oversee the implementation of the Integrated Risk Management Policy such as developing and conducting periodical reviews of the procedure and the tools for identifying, measuring, monitoring and controlling the risks.
 - c. Conduct risk monitoring in the BCA's financial conglomerate.
 - d. Conduct stress testing.
 - e. Review the proposed new lines business that are strategic and have a significant impact on the financial conglomerate risk exposure.
 - f. Provide information to the IRMC regarding the matters that need to be follow-up related to the evaluation results of the integrated risk management implementation.
 - g. Prepare and submit the Integrated Risk Profile Report periodically.

V. INTER-GROUP TRANSACTION POLICY

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

Definition of Inter-Group Transaction Risk

Inter-group transaction risk that occurs because of the entity's dependence, both directly and indirectly, on other entities in the Financial Conglomerate in order to fulfill obligations on written or unwritten agreements followed and/or unfollowed by a transfer of funds.

Objective of Inter-Group Transaction Risk Management

Main objectives of the inter-group transaction risk management are as follows:

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

Risk of Inter-Group Transaction

Inter-group transaction risk may arise from:

- a. Cross ownership between FSI's in the Financial Conglomerate.
- b. Centralized management of short-term liquidity.
- c. Collateral, loans, and commitments given or obtained by an FSI from another 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 the Financial Conglomerate.
- f. Risk transfer through reinsurance.
- g. Transactions to divert exposure of risk from third party between FSI's in the Financial Conglomerate.

Scope of Inter-Group Transaction Risk Management Policy

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

1. Supervision by 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 responsibilities of the Board of Commissioners

Authority and responsibilities of the Board of Commissioners in the implementation of intergroup transaction risk management are as follows:

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

Authority and responsibilities of the Board of Directors

Authority and responsibilities of the Board of Directors in the management of inter-group transaction risk are as follows:

- a. Understand inherent risks of inter-group transactions in the Financial Conglomerate.
- b. Formulate and establish inter-group transaction risk management policies.
- c. Be 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 risk of inter-group transactions regularly.
- f. Develop risk culture as part of the implementation of inter-group transaction risk management.
- g. Ensure the implementation of inter-group transaction risk management is free from conflicts of interest between the Financial Conglomerate and individual FSI's.

2. Adequacy of Policies, Procedures, and Determination of Risk Limits of Inter-Group Transaction

Policies, procedures, and determination of risk limits of inter-group transaction refer to the Integrated Risk Management Basic Policy.

Risk Appetite and Risk Tolerance

Risk appetite and risk tolerance in inter-group transactions are described as follow:

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

Policy and Procedures

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

- a. The Financial Conglomerate policy must comply with applicable regulations related to inter-group transactions.
- b. The Financial Conglomerate has to ensure fulfillment of the arm's length (fairness of transaction) principle related to inter-group transactions.
- c. Inter-group transaction risk management procedures contain at least:
 - 1) Accountability and clear level of authority delegation in implementation of inter-group transaction risk management.
 - 2) Implementation of reviews on the procedures periodically.

- 3) Adequate and complete procedure documentation in order to make it easier to carry out the audit trail.

Risk Limits of Inter-Group Transactions

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

3. Adequacy in Process of Identification, Measurement, Monitoring, Risk Control, and Information System of Inter-Group Transaction Risk Management

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

Identification of Risk of Inter-Group Transactions

Identification of risk of inter-group transactions is carried out through:

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

Measurement of Risk of Inter-Group Transactions

Measurements of risk of inter-group transactions aim to rank the risk level of inter-group transactions of the Financial Conglomerate. Furthermore, BCA as the Main Entity is required to prepare a risk profile of inter-group transactions with members of the Financial Conglomerate in an integrated manner.

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

Measurement	Description	Measurement Result
Inherent Risk	In determining the inherent risk level, main entity has to conduct a comprehensive analysis by using all relevant quantitative and qualitative indicators, covering 3 (three) aspects, as follows 1. Composition of inter-group transactions in Financial Conglomerate. 2. Documentation and fairness of transactions. 3. Other information	1. Low 2. Low to Moderate 3. Moderate 4. Moderate to High 5. High
Quality of risk management implementation	Measurement of quality implementation of integrated risk management, covering 4 (four) aspects, as follows: 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 identification process, measurement, monitoring and risk control of inter-group transaction risk management 4. Comprehensive internal control system for 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 inherent risk measurement and the quality of risk management implementation results.

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

Result of Assessment Rank of Level		Rank of Risk Management Implementation Quality				
		Strong	Satisfactory	Fair	Marginal	Unsatisfactory
Rank of Integrated of Inherent Risk	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 Risk of Inter-Group Transactions

Monitoring risk of inter-group transactions is carried out with consideration to the following:

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

Management of Risk of Inter-Group Transactions

Management of risk of inter-group transactions is carried out with consideration to the following:

- Fairness of inter-group transactions of the Financial Conglomerate.
- Existence of documentation for every inter-group transaction.
- Every inter-group transaction has to comply with prevailing law/regulator provisions.

Management Information System of Risk of Inter-Group Transactions

Management information system of inter-group transaction risk comprises Risk Profile Report on the risk of inter-group transaction which is an integral part of the Integrated Risk Profile Report.

Review Result of Intra-Group Transaction Risk Profile

Based on self-assessment results, BCA's risk profile, both individually and integrated with subsidiaries in 2021, was "low to moderate".

The risk profile level is the result of an assessment of the inherently "low to moderate" risk rating and a "satisfactory" implementation of risk management.

4. A Comprehensive Internal Control System for the Implementation of Inter-Group Transaction Risk Management

The process of implementing effective intergroup transaction risk management must be complemented by a comprehensive internal control system. An effective implementation of internal control system of inter-group transactions risk refers to internal controls as stipulated under the Integrated Risk Management Main Policy.

Implementation of the internal control system is as follows:

- BCA is required to implement an inter-group transaction risk internal control system effectively by referring to the established policies and procedures.

- b. 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 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.

VI. GOOD CORPORATE GOVERNANCE IMPLEMENTATION REPORT OF THE COMPANY

1. Transparency of Good Corporate Governance Implementation as referred by point IX Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Good Corporate Governance for Commercial Banks, consist of:

A. GCG Implementation Disclosures

- 1) Implementation of Duties and Responsibilities of the Board of Directors and the Board of Commissioners

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

Number and Composition of Members of the Board of Directors

BCA has complied with the provisions on the number and composition of the members of the Board of Directors in accordance with Article 4 OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks which stipulates that banks are required to have at least 3 (three) members of the Board of Directors.

As of December 31, 2021, the number of members of the Board of Directors of BCA is 12 (twelve) consisting of:

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

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

In 2021, BCA underwent a change in the composition of the Board of Directors based on the resolutions of the 2021 AGMS on the Third Agenda. Changes in the composition of the members of the Board of Directors can be seen in the General Meeting of Shareholders section of the Annual Report in the Corporate Governance Chapter. The

composition of the Board of Directors has been contained in the Deed of Statement of Meeting Resolutions of PT Bank Central Asia Tbk No. 22 dated June 4, 2021, drawn up before Christina Dwi Utami, S.H., M.Hum., M.Kn., Notary in Jakarta.

Composition of BCA Board of Directors for the Period April-December 2021

Name	Position	Approval Letter No.	Term of Office Based on AGMS
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2021 – 2026
Suwarno Budiman	Deputy President Director	38/KDK.03/2019 dated August 14, 2019	2021 – 2022
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016	2021 – 2026
Tan Ho Hien/ Subur/Subur Tan	Director	4/69/DpG/DPIP/Confidential dated August 13, 2002	2021 – 2026
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2021 – 2026
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016	2021 – 2026
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2021 – 2026
Vera Eve Lim	Director	SR-79/PB.12/2018 dated April 23, 2018	2021 – 2026
Gregory Hendra Lembong	Director	13/KDK.03/2020 dated May 14, 2020	2021 – 2026
Haryanto T. Budiman	Director of Compliance	14/KDK.03/2020 dated May 14, 2020	2021 – 2026
Frenky Chandra Kusuma	Director	39/KDK.03/2021 dated April 26, 2021	2021 – 2026
John Kosasih	Director	40/KDK.03/2021 dated April 26, 2021	2021 – 2026

Composition of BCA Board of Directors for the Period January-March 2021

Name	Position	Approval Letter No.	Term of Office Based on AGMS
Jahja Setiaatmadja	President Director	13/21/DPBB3/TPB3-7 dated June 17, 2011	2016 – 2021
Suwarno Budiman ^{*)}	Deputy President Director	38/KDK.03/2019 dated August 14, 2019	2019 – 2021
Armand Wahyudi Hartono	Deputy President Director	SR-106/D.03/2016 dated June 21, 2016	2016 – 2021
Tan Ho Hien/ Subur/Subur Tan	Director	4/69/DpG/DPIP/Confidential dated August 13, 2002	2016 – 2021
Henry Koenalifi	Director	10/32/DPB3/TPB3-2 dated February 13, 2008	2016 – 2021
Erwan Yuris Ang	Independent Director	13/99/GBI/DPIP/Confidential dated August 25, 2011	2016 – 2021
Rudy Susanto	Director	SR-119/D.03/2014 dated July 21, 2014	2016 – 2021
Lianawaty Suwono	Director	SR-137/D.03/2016 dated July 27, 2016	2016 – 2021
Santoso	Director	SR-143/D.03/2016 dated August 8, 2016	2016 – 2021
Vera Eve Lim ^{**)}	Director	SR-79/PB.12/2018 dated April 23, 2018	2018 – 2021
Gregory Hendra Lembong ^{***)}	Director	13/KDK.03/2020 dated May 14, 2020	2020 – 2021
Haryanto T. Budiman ^{***)}	Director of Compliance	14/KDK.03/2020 dated May 14, 2020	2020 – 2021

Note:

^{*)} appointed at the 2019 AGMS

^{**)} appointed at the 2018 AGMS

^{***)} appointed at the 2020 AGMS

All members of the Board of Directors of BCA have obtained approval from Bank Indonesia and/or OJK and have passed the fit and proper test from Bank Indonesia and/or OJK before carrying out their duties and functions in their positions. This is in accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning the Fit and Proper Test and Bank Indonesia Circular Letter No. 13/8/DPNP regarding the Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011 as well as OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for the Main Parties of Financial Services Institutions. As an additional

information, since the supervision in the banking sector switch from Bank Indonesia to OJK on December 31, 2013, hence, the process of fit and proper test of the Board of Directors after 31 December 2013 are conducted by OJK.

Term of Office of the Board of Directors

The term of office of the Board of Directors will end at the closing of the 5th (fifth) Annual GMS since the holding of the GMS which appointed the relevant member of the Board of Directors, without prejudice to the GMS authority to dismiss one or more members of the Board of Directors at any time before the end of their term of office. BCA's Articles of Association states that members of the Board of Directors whose term of office has ended may be reappointed.

Criteria for Members of the Board of Directors

Members of the Board of Directors of BCA are individuals who meet the criteria and requirements in accordance with OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, Article 6 OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks, and OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for the Main Parties of Financial Services Institutions.

The criteria for members of the BCA Board of Directors are as follows:

- 1) Has good character, morals, and integrity;
- 2) Capable of doing legal actions;
- 3) Within 5 (five) years prior to appointment and while serving:
 - a. never been convicted of a criminal act that was detrimental to state finances and/or related to the financial sector; and
 - b. never been a member of the Board of Directors and/or a member of the Board of Commissioners which is during his/her tenure:
 - did not held an annual GMS;
 - accountability as members of the Board of Directors and/or members of the Board of Commissioners ever been disapproved by the GMS or did not provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
 - had caused a company that has obtained the permit, approval or registration from the Financial Services Authority to fail its obligation to submit the Annual Report and/or Financial Report to the Financial Services Authority.
- 4) Has a commitment to comply with the laws and regulations;
- 5) Has knowledge and/or expertise in the areas required by the Company;
- 6) Meets integrity requirements which include:
 - a. able to carry out legal actions, the notion of being able to carry out legal actions refers to the Civil Code;
 - b. has good character and morals, at least shown by an attitude of complying with the applicable regulations, including never having been convicted of a criminal act within a certain period of time before being nominated. What is meant by "criminal act" as referred to above is:
 - criminal acts in the financial services sector whose crimes have been completed within the last 20 (twenty) years before being nominated;
 - criminal acts, namely criminal acts listed in the Indonesian Criminal Code (KUHP) and/or similar to the Criminal Code abroad with a threat of

- imprisonment of 1 (one) year or more whose sentence has been completed within 10 (ten) the last year before being nominated; and/or;
 - other criminal acts with a threat of imprisonment of 1 (one) year or more, including corruption, money laundering, narcotics/psychotropics, smuggling, customs, excise, trafficking in persons, trafficking in illicit weapons, terrorism, counterfeiting money, in the field of taxation, in the forestry sector, in the environmental sector, in the marine sector, and in fisheries, whose sentences have been completed within the last 20 (twenty) years prior to being nominated.
 - c. has a commitment to comply laws and regulations and support the policy of the Financial Service Authority;
 - d. has a commitment towards the development of healthy bank;
 - e. not included as party who is prohibited from becoming the Main Party, among others, candidates not listed in the Disqualified List (DTL) for the Fit and Proper Test. In accordance with regulations related to the Fit and Proper Test, the Main Parties including the Controlling Shareholders, members of the Board of Directors, and members of the Board of Commissioners;
 - f. has a commitment not to do and/or repeat the actions that cause concerned is included as a party who is prohibited from becoming the Main Party.
- 7) Meet the competency requirements which include:
- a. adequate and relevant knowledge in banking sector. What is meant by knowledge in the banking sector, among others, knowledge of bank regulations and operations, including understanding of risk management;
 - b. knowledge of the duties and responsibilities of the Main Entity as well as understanding of the main business activities and main risks of Financial Services Institutions in financial conglomerates;
 - c. experience in banking and/or finance, including experience in operations, marketing, accounting, auditing, funding, credit, money market, capital market, law or experience in supervision of Financial Services Institutions;
 - d. ability to carry out strategic management in the context of developing a healthy bank;
 - e. has experience of at least 5 (five) years in the operational field and at least as a Bank Executive Officer.
- 8) Meets financial reputation requirements which include:
- a. does not have bad credit and/or bad financing; and
 - b. has never been declared bankrupt or has never been a shareholder, an Insurance Company Controller who is not a shareholder, a member of the Board of Directors or a member of the Board of Commissioners found guilty of causing a company to be declared bankrupt, within the last 5 (five) years prior to being nominated.

Independence of Board of Directors

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

Number and Composition of Members of the Board of Commissioners

As of December 31, 2021, BCA have 5 (five) members of the Board of Commissioners, which consist of 1 (one) President Commissioner, 1 (one) Commissioner, and 3 (three) Independent Commissioners. The number of members of BCA's Board of Commissioners do not exceed the number of members of the BCA's Board of Directors. The number of Independent Commissioners of BCA are 60% (sixty percent) of the total members of the BCA's Board of Commissioners. In this case, the BCA's Board of Commissioners members composition has complied with the OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks and OJK Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Good Corporate Governance for Commercial Banks, which stipulates the total number of independent commissioners should comprise a minimum of 50% (fifty percent) of the total members of the Board of Commissioners. All of the BCA's Board of Commissioners members are domiciled in Indonesia.

Throughout 2021, there was no change in the Board of Commissioners composition. The composition of the BCA Board of Commissioners' membership in 2021 stipulated in The Meeting Resolution Deed of PT Bank Central Asia Tbk No. 22 dated June 4, 2021, made by Notary Christina Dwi Utami, S.H. M.Hum., M.Kn., in Jakarta.

The Composition of BCA Board of Commissioners as of December 31, 2021

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

All of the BCA's Board of Commissioners have obtained approval from Bank Indonesia (as of now OJK) and have passed the Fit and Proper Test from Bank Indonesia (as of now OJK) before performing their duties and functions. Those implementations are in accordance with Bank Indonesia Regulation No. 12/23/PBI/2010 concerning the Fit and Proper Test and Bank Indonesia Circular Letter No. 13/8/DPNP concerning the Fit and Proper Test as amended by Bank Indonesia Circular Letter No. 13/26/DPNP dated November 30, 2011.

Term of Office of the Board of Commissioners

In accordance with Articles of Association, the term of office of the members of Board of Commissioners are 5 (five) years from the date stipulated by the GMS. The term of office of the Board of Commissioners members for this period will end on the closing of BCA's Annual GMS in 2026. The GMS still has the authority to dismiss one or more members of the Board of Commissioners at any time before the end of their term of office.

The term of office of Independent Commissioners follow the general term of office of the Board Commissioners. Independent Commissioners who have served for 2 (two)

consecutive period could be reappointed as the Independent Commissioners in the next period in the case that:

- The Board of Commissioners meeting considers that the Independent Commissioners can still act independently; and
- Independent Commissioners declare their independence at the GMS.

BCA has Independent Commissioners who have been appointed for more than 2 (two) periods, namely Cyrillus Harinowo and Raden Pardede. Based on the meeting of the Board of Commissioners, both of the members can still act independently and each member has prepared a Statement of Independence, which was read during the independent commissioners' appointment at the BCA Annual GMS 2021.

Criteria for Member of Board of Commissioners

Member of the Board of Commissioners of BCA are individuals who meet the criteria and requirements in accordance with OJK Regulation No. 33/POJK.04/2014 concerning The Board of Directors and The Board of Commissioners of Issuers or Public Companies, OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance For Commercial Banks, and OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Primary Parties of Financial Service Institutions.

The Criteria for members of the Board of Commissioners are as follows:

- 1) Has good character, morals and integrity.
- 2) Capable of doing legal actions.
- 3) Within 5 (five) years prior to appointment and while serving:
 - a. have never been convicted of a criminal act that was detrimental to state finances and/or related to the financial sector; and
 - b. have never been a member of the Board of Directors and/or Board of Commissioners which is during his/her tenure:
 - did not held an annual GMS;
 - accountability as members of the Board of Directors and/or members of the Board of Commissioners ever been disapproved by the GMS or did not provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
 - had caused a company that has obtained the permit, approval or registration from the Financial Services Authority to fail its obligation to submit the Annual Report and/or Financial Report to the Financial Services Authority.
- 4) Has a commitment to comply with the laws and regulations.
- 5) Has knowledge and/or expertise in the fields required by BCA.
- 6) Meets the following requirements for integrity, competence and financial reputation, as follows:
 - a. Integrity, that include:
 - capable to take legal actions;
 - has good character and morals, at least can be shown through the compliance with applicable provisions, including have never been convicted for committing a crime due to the proven to have committed crime prior to being nominated;
 - has a commitment to comply with laws and regulations and uphold the Financial Services Authority policies;
 - has a commitment towards the development of a sound financial services institution;

- not included as party who is prohibited from becoming the Main Party;
 - has a commitment not to do and/or repeat the actions that cause concerned is included as a party who is prohibited from becoming the Main Party.
- b. Competency, that includes:
- knowledge in banking which is adequate and relevant to the position;
 - experiences in banking and/or finance.
- c. Financial reputation, that includes:
- not having non performing loans and/or non performing financing;
 - has never been declared bankrupt and/or have never been a shareholder, an insurance company controller who is not a shareholder, the Board of Directors' member, or the Board of Commissioners' member that has been found guilty of causing a company and/or business entity to be declared bankrupt within 5 (five) years prior to being nominated;
- d. has passed the fit and proper test which in accordance with the Financial Services Authority regulations.

The criteria that need to be fulfilled by all of Independent Commissioners of BCA, as follows:

- 1) Not an individual who had been employed or had the authority or responsibility to plan, lead, control or oversee the BCA's activities in the last 6 (six) months, except for the re-appointment as an BCA's Independent Commissioner in the following period;
- 2) Have no BCA shares, either directly or indirectly;
- 3) Have no affiliation with BCA, other members of the Board of Commissioners, members of the Board of Directors, and the Majority Shareholders of BCA;
- 4) Have no direct or indirect business relationship related to BCA's business activities;
- 5) Meet other requirements for Independent Commissioner, in accordance with the prevailing regulations;
- 6) Prospective Independent Commissioners who are the former of the Board of Directors members or BCA's executive officers or other parties that have the relationship with BCA, they must undergo a cooling off period for at least 1 (one) year before becoming an Independent Commissioner. This regulation does not applicable to the former Board of Directors or Executive Officers who only carrying out oversight function;
- 7) Non-independent Commissioner who will shift to the Independent Commissioner must undergo a cooling off period for at least 6 (six) months.

Aside to those criteria that had been mentioned on the above, Independent Commissioners are also have to meet the general requirements of the Board of Commissioners candidates.

Independence of Board of Commissioners

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

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

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

Duties and Responsibilities of the Board of Directors

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

- 1) The Board of Directors is fully responsible to manage the Company for the interests and objectives of the Company. The main duties of the Board of Directors are:
 - a. Lead and manage the Company in accordance with the purposes and objectives of the Company;
 - b. Control, maintain, and manage the Company's assets for the benefits of the Company;
 - c. Create an internal control structure, ensure the implementation of the Company's Internal Audit function at every level of management and follow up on the findings of the Company's Internal Audit Division in accordance with policies or directions given by the Board of Commissioners;
- 2) Each member of the Board of Directors must in good faith and have a full responsibility to carry out their duties by observing the applicable laws and regulations.
- 3) The Board of Directors represents the Company inside and outside the Court on all matters and in all events, binds the Company with other parties and other parties with the Company, and carries out all actions, both regarding management and ownership, but with the limitation that for the following actions below, the Board of Directors must obtain prior written approval from the Board of Commissioners:
 - a. Lending money or providing credit facilities or other banking facilities that resemble or result in the emergence of loan of money:
 - To related parties as stipulated in Bank Indonesia regulations concerning the Maximum Lending Limit for Commercial Bank;
 - Which it exceeds a certain amount which from time to time will be determined by the Board of Commissioners.
 - b. Providing guarantees or debt guarantees (borgtocht):
 - In order to guarantee the payment obligations of related parties to other parties as regulated in the provisions of Bank Indonesia or the Financial Services Authority or other authorized agencies regarding the Maximum Lending Limit for Commercial Bank;
 - In order to guarantee the obligations of other parties for an amount that exceeds a certain amount in which from time to time will be determined by the Board of Commissioners.
 - c. Purchase, or in other ways obtain immovable property, except in the context of carrying out other activities commonly carried out by the Company as long as it does not conflict with the applicable laws and regulations, including among others actions for restructuring or credit rescue, including buying collateral, either in whole or in part, through auction or in other ways, in the event that the debtor does not fulfill his obligations to the Company, provided that the

collateral purchased must be disbursed as soon as possible, which exceeds a certain amount determined from time to time by the Board of Commissioners.

- d. Establish a new company, undertake or release or reduce equity participation or increase capital participation, except:
 - Additional equity participation originating from the Company's share dividends; or
 - Equity participation in the context of credit rescue.with due observance of the applicable laws and regulations;
- e. Borrowing money that is not included in the activity of collecting funds from the public in the form of deposits in the form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent forms, the amount of which will be determined from time to time by the Board of Commissioners;
- f. Transferring or releasing the Company's collection rights that have been written off, either partially or completely, the amount of which will be determined from time to time by the Board of Commissioners;
- g. Selling or transferring or relinquishing rights or pledging/guaranteeing the Company's assets above a certain value which will be determined from time to time by the Board of Commissioners but which is worth less than or equal to 1/2 (one half) of the total net worth of the Company listed in the Company's balance sheet, either in 1 (one) transaction or in several transactions that stand alone or are related to each other in 1 (one) financial year;
- h. Take legal actions or transactions that are strategic in nature and can have a significant impact on the continuity of the Company's business, the types of legal actions or transactions will be determined from time to time by the Board of Commissioners;

The approval of the Board of Commissioners for the actions of the Board of Directors can be given to take 1 (one) action or more than 1 (one) action and from time to time this can be reviewed, without prejudice to the applicable laws and regulations.

- 4) To perform one of the actions as following:
 - a. Transferring, relinquishing rights and/or guaranteeing debts which amount to more than 1/2 (one half) of the total net assets of the Company or constitute the entire assets of the Company, either in 1 (one) transaction or several transactions that stand alone or which related to each other within 1 (one) financial year; or
 - b. Submitting an application to the authorized agency regarding the bankruptcy of the Company or request that the Company be granted a suspension of debt payment obligations (surseance van betaling);

The Board of Directors must obtain prior approval from the GMS which is attended by the shareholders of the Company and/or their legal proxies who represent at least 3/4 (three quarters) of the total number of shares of the Company with valid voting rights that have been issued. The Company and the proposal submitted are approved by more than 3/4 (three quarters) of the total number of votes legally cast in the meeting concerned;

- 5) In terms of:
 - a. Member of the Board of Directors is not authorized to represent the Company in matters or transactions in which the member of the Board of Directors concerned has interests that conflict with the interests of the Company, then the Company must be represented by another member of the Board of Directors (without prejudice to the provisions in the Articles of Association of the

- Company);
- b. If all members of the Board of Directors have interests that conflict with the interests of the Company, then in the event or transaction the Board of Commissioners of the Company has the right to act for and on behalf of and represent the Company;
 - c. The provisions in point 5.a. and 5.b. above does not reduce the provisions regarding “Transactions containing Conflicts of Interest” which are stated in the Company’s Articles of Association.
- 6) Without prejudice to the responsibility of the Board of Directors, for certain actions the Board of Directors has the right to appoint one or more persons as proxies with the authority and conditions determined by the Board of Directors in a special power of attorney.
- 7) In relation to the main duties of the Board of Directors as described above, the Board of Directors must, among others:
- a. Strive for and ensure the implementation of the Company’s business and activities in accordance with the Company’s objectives and its field of business;
 - b. Prepare the Company’s development plan, work plan and annual budget of the Company, including other plans related to the implementation of the Company’s business and submit it to the Board of Commissioners;
 - c. Organize and maintain the bookkeeping and administration of the Company in accordance with the norms that apply to a company;
 - d. Develop an accounting system based on the principles of internal control, especially the separation of the functions of management, recording, storage and supervision;
 - e. Provide accountability and all information regarding the condition and operation of the Company, in the form of reports on the Company’s activities, including financial reports, both in the form of annual reports and in the form of other periodic reports, according to the method and time specified in the Articles of Association of the Company whenever requested by the Board of Commissioners;
 - f. Prepare the organizational structure of the Company complete with details of its duties;
 - g. Carry out other obligations in accordance with the Company’s Articles of Association or based on the instructions of the Board of Commissioners’ Meeting or GMS.
- 8) Other obligations:
- a. Implement GCG principles in every business activity of the Company at all levels or levels of the Company’s organization;
 - b. Develop an internal control framework to identify, measure, monitor and control all risks faced by the Company;
 - c. Follow up on audit findings and recommendations from the Company’s Internal Audit Division, External Auditor, results of supervision from Bank Indonesia, Financial Services Authority and/or results of supervision by other authorities;
 - d. Establish Internal Audit Division that is independent of the operational work unit and implements the internal audit function effectively in accordance with applicable regulations;
 - e. Establish Risk Management Work Unit and Risk Management Committee as well as a Compliance Unit;
 - f. Submit the Annual Work Plan which also includes the Company’s Annual Budget to the Board of Commissioners for approval from the Board of Commissioners,

- prior to the start of the next financial year, with due observance of the prevailing laws and regulations in the Capital Market sector.
- g. Submit the Company's Financial Statements to a Public Accountant for examination;
 - h. Disclose the Company's strategic policies to employees in the field of employment, including various employment policies in various Decrees and Circulars that can be accessed by all employees as well as through the Collective Labor Agreement (CLA), the Company's website, policies regarding recruitment system, promotion system, remuneration system. Such disclosure must be made through media that is known or easily accessed by the Employee;
 - i. Provide accurate, relevant and timely data and information to the Board of Commissioners;
 - j. Appoint members of the supporting committees of the Board of Directors based on the decision of the Board of Directors meeting;
 - k. Organize the Annual GMS and/or Other/Extraordinary GMS according to the needs of the Company and in accordance with the applicable regulations;
 - l. Submit accountability for the management of the Company for 1 (one) year to the GMS no later than 6 (six) months after the Company's financial year closed;
 - m. Submit reports and information disclosure to Bapepam-LK, the Indonesia Stock Exchange, and other authorized agencies in accordance with the laws and regulations.

Duties and Responsibilities of the Board of Commissioners

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

- 1) Supervise the BCA's management policies and general management process, for the BCA's interest pursuant to the BCA's purposes and objectives.
- 2) Direct, monitor and evaluate the implementation of BCA's strategic policies and advising the Board of Directors pursuant to the purposes and objectives of the BCA's Article of Association.
- 3) Ensure the principles of corporate governance are implemented in all of BCA's business activities at all levels of the organization, at least through the supervision of:
 - a. The implementation of the duties and responsibilities of the Board of Commissioners and Directors;
 - b. The completeness and implementation of the duties of committees and work units that carry out the internal control function;
 - c. The implementation and periodic evaluation of the remuneration policy;
 - d. The implementation of the compliance function, internal auditor and external auditor;
 - e. The implementation of risk management, including internal control system;
 - f. The provision of funds to related parties and provision of large funds;
 - g. The BCA's strategic plan;
 - h. The transparency of BCA's financial and non-financial conditions;
 - i. The approval and periodic review of BCA's vision, mission and core values.
- 4) Supervise the implementation of Integrated Corporate Governance.
- 5) Ensure that the Board of Directors has taken follow up actions on audit findings and recommendations from the IAD, External Auditor, supervision results from the authorities, including but not limited to Financial Services Authority, Bank Indonesia, and/or other authorities.

- 6) Grant approval for the proposed merger or consolidation and/or integration that contains the information of the summary of independent appraiser's report.
- 7) Notify the Financial Services Authority/Bank Indonesia within 7 (seven) working days from the discovery of violations of laws and regulations in financial and banking sector, and/or circumstances or predicted circumstances that may compromise the continuity of the BCA's business.
- 8) Establish:
 - a. Audit Committee;
 - b. Risk Oversight Committee;
 - c. Remuneration and Nomination Committee;
 - d. Integrated Governance Committee.

The Board of Commissioners must ensure that the established committees perform their duties effectively and shall evaluate the performance of these committees at the end of each financial year.
- 9) Hold the meetings and prepare minutes of meeting for the following:
 - a. Meetings of the Board of Commissioners periodically at least 1 (one) time in 2 (two) months or at least 6 (six) times in 1 (one) year.
 - b. Meetings of the Board of Commissioners with the Board of Directors periodically at least 1 (one) time in 4 (four) months.
- 10) Under certain conditions, hold the Annual GMS and other GMS in accordance with their authorities as stipulated in the applicable laws and regulations and BCA's Article of Association.
- 11) Prepare and submit a report to the GMS or the Financial Services Authority or other parties.
- 12) Approve the Bank Business Plan and Sustainable Finance Action Plan that are prepared by the Board of Directors.

Duties and Responsibilities of the President Commissioner

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

- 1) Make a call for the the Board of Commissioners meeting.
- 2) Chair the Board of Commissioners meeting.
- 3) Chair the GMS.
- 4) Coordinate the implementation of duties and responsibilities of the Board of Commissioners

In accordance with their duties and responsibilities, throughout 2021, the BCA's Board of Commissioners was not involved in decision making related to the BCA's operations.

The Implementation of the Board of Commissioners' Duties

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

The Board of Commissioners provides advice about the bank's policies and strategies through memos and meetings with the Board of Directors.

The following table summarizes the main areas of focus where the Board of Commissioners provided advice to the Board of Directors in 2021:

Topic	Summary
Business Strategy and Management	<ul style="list-style-type: none"> • Monitored the progress of the Bank's performance and the banking sector in Indonesia, particularly in relation to the impact of the COVID-19 pandemic. • Assessed the factors that will affect the business in the next five years with the Board of Directors. • Advised the pursuit of digital development with wide-ranging solutions for customers while paying attention to cyber risk. • Suggested the creation of priority of scale that incorporates both measurable and non-measurable aspects and follows prudential principles. • Provided guidance and approval of business developments and corporate actions, such as capital injections into subsidiaries and dividend payments.
Risk Management	<ul style="list-style-type: none"> • Monitored the Bank's risk profile, risk parameters, and strategic risk appetite along with risk mitigation, particularly in relation to the impact of the accelerated digitalization due to the COVID-19 pandemic. • Discussed and provided advice related to credit restructuring on the overall framework and specific sectors based on prevailing condition.
Audit and Compliance	<ul style="list-style-type: none"> • Reviewed the performance of the Bank's internal audit, including the potential alteration of several internal control policies. The alteration would widen the policy coverage to address the "New Normal". • Advised the review of various policies and procedures, including the loan restructuring policy. • Pertaining to integrated internal audit, the Board of Commissioners recommended the monitoring of procedures, processes, and follow-ups of audit results of the subsidiaries, particularly in relation to digitalization.

2) Completeness and Implementation of Committee Duties

a. Committees of Board of Commissioners

Structure, Membership, and Independence of Audit Committee Member

The membership composition of Audit Committee has complied with the applicable provisions in accordance with OJK Regulation No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee and as stipulated in the Audit Committee Charter. In 2021, the Audit Committee has 3 (three) members who have been appointed based on the Board of Directors Decree No. 073/SK/DIR/2021 dated 22 April 2021 and the resolution of the Board of Commissioners Meeting No. 20/RR/KOM/2021 dated April 22, 2021.

Composition of Audit Committee members for the period January - March 2021

Name	Position in Committee	Position in BCA	Term of Duty Based on AGMS
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)	Independent Commissioner	2016 - 2021
Ilham Ikhsan	Member	Independent Party	2016 - 2021
Tjen Lestari	Member	Independent Party	2016 - 2021

Composition of Audit Committee members for the period April - December 2021

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

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

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

The membership structure of ROC has complied with the applicable provisions namely OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Banks and as stipulated in the ROC Charter. In 2021, ROC has 3 (three) members who have been appointed based on the Board of Directors Decree No. 079/SK/DIR/2021 dated April 29, 2021, and the resolution of the Minutes of Meeting of the Board of Commissioners No. 21/RR/KOM/2021 dated April 28, 2021.

Composition of ROC members as of January - March 2021

Name	Position in Committee	Position in BCA	Term of Duty Based on AGMS
Sumantri Slamet	Chairman (concurrently as member)	Independent Commissioner	2016 - 2021
Endang Swasthika Wibowo	Member	Independent Party	2016 - 2021
Ernawati Soegito	Member	Independent Party	2020 - 2021

Composition of ROC members as of April - December 2021

Name	Position in Committee	Position in BCA	Term of Duty Based on AGMS
Cyrellus Harinowo	Chairman (concurrently as member)	Independent Commissioner	2021 - 2026
Endang Swasthika Wibowo	Member	Independent Party	2021 - 2026
Subianto Rustandi	Member	Independent Party	2021 - 2026

All ROC members have fulfilled the independency aspect where they have no financial, management, share ownership, and/or family relationship with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, nor any business relationship with BCA that may affect their ability to act independently.

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

The membership structure of RNC has complied with the applicable provisions namely OJK Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies and as regulated in the RNC Guidelines and Procedures. In 2021, RNC consists of 3 (three) members who have been appointed based on the Board of Directors Decree No. 064B/SK/DIR/2021 dated April 7, 2021, and the resolution of the Minutes of Meeting of the Board of Commissioners No. 03/RR/KOM/2021 dated January 20, 2021.

Composition of RNC members as of January - December 2021

Name	Position In Committee	Position In BCA	Term of Office Based on AGMS
Raden Pardede	Chairman	Independent Commissioner	2021 - 2026
D.E. Setijoso	Member	President Commissioner	2021 - 2026
Rudi Lim	Member	Head of Human Capital Management Division	2021 - 2026

* Head of Human Capital Management Division is an Executive Officer who has knowledge of remuneration and/or nomination systems as well as succession plans.

All RNC members have fulfilled the independency aspect where they have no financial, management, share ownership, and/or family relationship with members of the Board of Commissioners, members of the Board of Directors, and/or Controlling Shareholders, nor any business relationship with BCA that may affect their ability to act independently.

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

The membership composition of IGC BCA has complied with the applicable provisions in accordance with OJK Regulation No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomerates and as regulated in the IGC Charter. As of December 31, 2021, IGC has 11 (eleven) members who have been appointed by the Board of Directors from the Main Entity through the Decree of the Board of Directors No. 088/SK/DIR/2021 dated May 6, 2021, regarding the Appointment of Chairman and Members of the Integrated Governance Committee and based on the decision in the Minutes of Meeting of the Board of Commissioners from the Main Entity No. 22/RR/KOM/2021 dated May 5, 2021.

IGC Member Composition

Name	Position In Committee ⁽¹⁾	Position In Financial Conglomerate	Term of Office
Members from Main Entity			
Cyrellus Harinowo	Chairman (concurrently as Independent Commissioner)	Independent Commissioner in the Main Entity	May 6, 2021 – AGMS 2026
Prabowo	Member	Independent Party in the Main Entity ⁽²⁾	May 6, 2021 – AGMS 2026
Member of Subsidiaries⁽³⁾			
Sulistiyowati	Member	Independent Commissioner of PT BCA Finance	May 6, 2021 – AGMS 2026
Gustiono Kustianto	Member	Independent Commissioner of PT Asuransi Umum BCA	May 6, 2021 – AGMS 2026
Pudjianto	Member	Independent Commissioner of PT Asuransi Jiwa BCA	May 6, 2021 – AGMS 2026

Name	Position In Committee ^{*)}	Position In Financial Conglomerate	Term of Office
Mendari Handaya	Member	Independent Commissioner of PT BCA Multi Finance d/h Central Santosa Finance	May 6, 2021 – AGMS 2026
Joni Handrijanto ^{*)}	Member	Independent Commissioner of PT Bank BCA Syariah	May 6, 2021 – AGMS 2026
Sutedjo Prihatono	Member	Member of sharia supervisory board of PT Bank BCA Syariah	May 6, 2021 – AGMS 2026
Hendra Iskandar Lubis	Member	Independent Commissioner of PT BCA Sekuritas	May 6, 2021 – AGMS 2026
Irlanto Sutanto ^{*)}	Member	Independent Director of BCA Finance Limited, Hongkong	May 6, 2021 – AGMS 2026
Sri Indrajanti Dewi	Member	Independent Commissioner of PT Bank Digital BCA	May 6, 2021 – AGMS 2026
Wimpe Rianto	Member	Independent Party of Main Entity	May 23, 2016 – March 29, 2021
Suyanto Sutjiadi	Member	Independent Commissioner of PT Bank BCA Syariah	May 23, 2016 – March 9, 2021
Rudy Harjono	Member	Independent Commissioner of PT BCA Finance Limited Hongkong	May 23, 2016 – March 9, 2021
Ignatius Julianto Sukardi	Member	Independent Commissioner of PT Bank Digital BCA	July 10, 2020 – March 29, 2021

Note:
^{*)} Membership of the Independent Commissioners, Independent Parties, and members of Sharia Supervisory Board in the IGC in the financial conglomerate is not counted as dual position.
^{**)} Independent party who are the members of IGC Committee appointed by the Board of Commissioners of the Main Entity.
^{***)} Appointment of the IGC members who are the Independent Commissioners and/or Sharia Supervisory Board, that representing Financial Services Institution (FSI) in BCA financial conglomerate is appointed based on the appointment of each of the FSI.

Independence and requirements of IGC members follow the independence and requirements of the Board of Directors and/or Board of Commissioners of the Main Entity and/or independence and requirements of the Board of Directors and/or Board of Commissioners of subsidiaries in the Financial Conglomerate.

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

b. Duties and Responsibilities of Committees under the Board of Commissioners

Duties and Responsibilities of Audit Committee

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

- Financial Report and Information
 1. Review financial information that will be issued by BCA to the public and/or authorities, and other reports related to BCA's financial information.
 2. Review and provide advices/recommendations to the Board of Commissioners regarding the existence of material affiliated transactions/related party transactions.
 3. Review and report to the Board of Commissioners on complaints related to BCA's accounting and financial reporting processes.

- Internal Audit
 1. Provide recommendations to the Board of Commissioners regarding the appointment and dismissal of the Head of the Internal Audit Division (DAI).
 2. Provide recommendations to the Board of Commissioners regarding the preparation of the DAI audit plan, scope, and budget.
 3. Provide recommendations to the Board of Commissioners regarding the approval of the Internal Audit Charter.
 4. Monitor and review the effectiveness of BCA's internal audit.
 5. Evaluate DAI's performance in terms of the adequacy and effectiveness of the internal audit function at BCA and ensuring DAI upholds integrity in carrying out its duties; and provide recommendations to the Board of Commissioners regarding the provision of DAI's overall annual remuneration and performance awards.
 6. Ensure DAI do communication with the Board of Directors, Board of Commissioners, External Auditor, and the Financial Services Authority (OJK), as well as Bank Indonesia (BI).
 7. Ensure DAI works independently.
- External Audit
 1. Provide recommendations to the Board of Commissioners based on the evaluation results regarding the appointment, reappointment, and dismissal or replacement of the Public Accounting Firm (PAF) and/or Public Accountant (PA) who will perform audit of the BCA financial statements based on independence, the scope of the assignment, and service fee.
 2. Monitor the implementation of the PAF, on the following aspects:
 - a. The conformity of the audit by PAF with the applicable auditing standards.
 - b. Conformity of financial statements with applicable accounting standards.
 - c. Provide an independent opinion in the event of a disagreement of opinion between management and PAF on the services it provides.
- Process/Internal Control System
 1. Ensure that the Board of Directors takes the necessary and immediate actions on the findings of DAI, AP, and the results of the supervision of OJK and BI.
 2. Provide recommendations to the Board of Commissioners to appoint an independent quality assurance from an external party with the aim of reviewing DAI.
- Governance and Compliance
 1. Monitor the implementation of effective and sustainable Good Corporate Governance (GCG).
 2. Review and provide advice to the Board of Commissioners regarding potential conflicts of interest.
 3. Review BCA's compliance with laws and regulations in the banking sector, capital market, and laws and regulations as well as other provisions related to BCA's business activities.
 4. Maintain the confidentiality of BCA documents, data, and information.
- Carry out other tasks that are relevant with Audit Committee function as requested by the Board of Commissioners.

Duties and Responsibilities of Risk Oversight Committee (ROC)

Duties and responsibilities of ROC among other:

- a. Assist and provide recommendations to the Board of Commissioners in order to improve the effectiveness of the oversight duties and responsibilities in the field of risk management and ensure that risk management policies are implemented properly.
- b. In relation to the process to being able providing recommendations, ROC must:
 - 1) Evaluate the consistency between risk management policies and its implementation.
 - 2) Monitor and evaluate the implementation of duties of Risk Management Committee, Risk Management Work Units and Information Technology Steering Committees.
- c. Develop and/or update the ROC Charter.
- d. Carry out other duties that are relevant with the ROC function as requested by the Board of Commissioners.

Duties and Responsibilities of Remuneration and Nomination Committee (RNC)

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

- Related to the remuneration function:
 1. Evaluate and ensure that BCA's remuneration policy is in accordance with applicable regulations and is based on performance, risk, fairness with peer groups, long-term goals and strategies, fulfillment of reserves as regulated in laws and regulations, and potential future earnings of BCA.
 2. Recommend to the Board of Commissioners regarding:
 - a. Remuneration policy for the Board of Commissioners and the Board of Directors to be submitted to the GMS.
 - b. Structure and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - c. Remuneration policy for Executive Officers and employees as a whole to be submitted to the Board of Directors by the Board of Commissioners.
 3. Assist the Board of Commissioners in conducting performance appraisals in accordance with the remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.
 4. Periodically evaluate the implementation of the remuneration policy.
- Related to the nomination function:
 1. Develop and recommend to the Board of Commissioners regarding the system and procedure for selecting and/or replacing members of the Board of Commissioners and the Board of Directors to be submitted to the GMS.
 2. Recommend to the Board of Commissioners regarding:
 - a. policy and criteria required in the nomination process.
 - b. candidates for members of the Board of Commissioners and/or candidates for members of the Board of Directors to be submitted to the GMS.
 - c. composition of positions of members of the Board of Directors and/or members of the Board of Commissioners.
 - d. capacity development program of members of the Board of Directors and/or members of the Board of Commissioners.
 - e. performance evaluation policy of members of the Board of Directors and/or members of the Board of Commissioners.

3. Recommend independent parties as candidates for members of Audit Committee and Risk Oversight Committee to the Board of Commissioners.
 4. Assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on the benchmarks that have been prepared as evaluation material.
- Carry out other tasks assigned by the Board of Commissioners related to remuneration and nomination in accordance with the prevailing provisions.
 - Report the results of the assessment and recommendations in relation to the duties of RNC to the Board of Commissioners if necessary.

Duties and Responsibilities of Integrated Governance Committee (IGC)

The duties and responsibilities of the IGC, among others, are:

- a. Evaluate the implementation of integrated governance, at least through an assessment of the adequacy of internal control and the implementation of an integrated compliance function.
 - b. Provide recommendations to the Board of Commissioners of the Main Entities in the Financial Conglomerate in order to improve the effectiveness of supervision over the implementation of integrated governance, including in terms of improving the Integrated Governance Guidelines after implementing:
 - 1) Evaluation of the implementation of Integrated Governance.
 - 2) Monitoring the implementation of the IGC Charter.
 - c. Report to the Board of Commissioners on the results of IGC monitoring on the implementation of banking synergies on a regular basis.
 - d. Create a report on the realization of the IGC's annual work program which is submitted in the Main Entity's Annual Report.
- c. **Committee Meeting Frequency**

Audit Committee Meeting Frequency

Audit Committee meets at least 4 (four) times a year, as stipulated in the Board of Commissioners Decree No. 117/SK/KOM/2019 concerned the Audit Committee Charter of PT Bank Central Asia, Tbk. The meetings can only be held if attended by at least 51% (fifty-one percent) of the total committee members, including Independents Commissioners and Independent Parties. As of December 31, 2021, the Audit Committee has held 28 (twenty eight) meetings.

The submission of the results of Audit Committee meeting is as follows:

1. The results of the Audit Committee meeting must be in the minutes of meetings and properly documented.
2. Dissenting opinions that occur in committee meetings must be clearly stated in the minutes of meeting along with the reasons thereof such dissent.

Attendance of committee members in the Audit Committee meeting for the period January - March 2021 are as follows:

Name	Number of Meeting	Attendance	Percentage
Cyrrillus Harinowo	6	6	100%
Ilham Ikhsan	6	6	100%
Tjen Lestari	6	6	100%

Attendance of committee members in the Audit Committee meeting for the period April - December 2021 are as follows:

Name	Number of Meeting	Attendance	Percentage
Sumantri Slamet	22	21	95%
Fanny Sagitadewi	22	22	100%
Rallyati A. Wibowo	22	22	100%

Risk Oversight Committee Meeting Frequency

ROC holds meeting at least 4 (four) times in a year, as stipulated in the ROC Charter. The meetings can only be held if attended by at least 51% (fiftyone percent) of the total committee members, including Independent Commissioners and Independent Parties. As of December 2021, ROC has held 9 (nine) meetings.

Submission of the results of ROC meeting is as follows:

- The results of ROC meeting must be stated in the minutes of meeting signed by all ROC members present and documented in accordance with the legislation.
- Dissenting opinions that occur in committee meetings must be clearly stated in the minutes of meeting along with the reasons thereof such dissent.

Attendance of committee members in the ROC meeting for the period January - March 2021, are as follows:

Name	Number of Meeting	Attendance	Percentage
Sumantri Slamet	2	2	100%
Endang Swasthika Wibowo	2	2	100%
Ernawati Soegito	2	2	100%

Attendance of committee members in the ROC meeting for the period April - December 2021, are as follows:

Name	Number of Meeting	Attendance	Percentage
Cyrrillus Harinowo	7	7	100%
Endang Swasthika Wibowo	7	7	100%
Subianto Rustandi	7	7	100%

Remuneration and Nomination Committee Meeting Frequency

RNC holds meetings according to BCA's needs, at least 1 (one) time in 4 (four) months as stipulated in OJK Regulation No. 34/POJK.04/2014 dated December 8, 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies. The meetings can only be held if attended by at least 51% (fiftyone percent) of the total committee members, including Independent Commissioners and Executive Officers who is in charge of the human resources function. As of December 2021, RNC has held 7 (seven) meetings.

Submission of the results of RNC meeting is as follows:

- The results of the RNC meeting must be stated in the minutes of meeting which includes date of the meeting, the attendance of RNC members, meeting agenda, and meeting materials.

- b. Dissenting opinions that occur in committee meetings must be clearly stated in the minutes of meeting along with the reasons thereof such dissent.

Attendances of members in the RNC meeting as of December 31, 2021, are as follows:

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

Of the 7 (seven) RNC meetings, there were 4 (four) meetings with discussions related to nominations, 2 (two) meetings with discussions related to remuneration and 1 (one) meeting with discussions related to assessment.

Integrated Governance Committee Meeting Frequency

The duties and responsibilities of the IGC, among others, are carried out through IGC Meetings. IGC Meetings are held at least 1 (one) time in 1 (one) semester, as stipulated in the IGC Charter. Meetings can only be held if attended by at least 51% (fiftyone percent) of the total committee members. Until December 2021, IGC has held 6 (six) meetings.

Submission of the results of the IGC meeting is as follows:

- The results of the IGC meeting must be stated in the Minutes of Meeting signed by all IGC members present and properly documented in accordance with the laws and regulations.
- Dissenting opinions that occur in committee meetings must be clearly stated in the minutes of the meeting along with the reasons for the differences of opinion.

Data on the attendance of Committee members at the IGC Meeting for the period January - March 2021 are as follows:

Name	Number of Meeting	Attendance	Percentage
Sumantri Slamet	1	1	100%
Wimpe Rianto	1	1	100%
Sulistiyowati	1	1	100%
Gustiono Kustianto	1	1	100%
Pudjianto	1	1	100%
Joni Handrijanto	1	1	100%
Sutedjo Prihatono	1	1	100%
Irianto Sutanto	1	1	100%
Mendari Handaya	1	1	100%
Hendra Iskandar Lubis	1	1	100%
Ignatius Julianto Sukardi	1	1	100%

Data on Committee members in the IGC Meeting for the period April - December 2021 are as follows:

Name	Number of Meeting	Attendance	Percentage
Cyrillus Harinowo	5	5	100%
Prabowo	5	5	100%
Sulistiyowati	5	5	100%
Gustiono Kustianto	5	5	100%
Pudjianto	5	5	100%
Joni Handrijanto	5	5	100%
Sutedjo Prihatono	5	4	80%
Irianto Sutanto	5	5	100%
Mendari Handaya	5	5	100%
Hendra Iskandar Lubis	5	5	100%
Sri Indrajanti Dewi	5	5	100%

d. Realization of Work Program and Implementation of Committee Activities

Realization of Work Program and Implementation of Audit Committee Activities in 2021

The realizations of the Audit Committee work programs for 2021 are as follows:

- a. Evaluated and recommended to the Board of Commissioners the reuse of KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC Global network) to audit BCA Financial Statements for the 2021 financial year.
- b. Held a meeting with KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC Global network) to discuss the plan and scope of the audit of the BCA Financial Statements for the 2021 financial year.
- c. Held meetings with the Finance and Planning Division to review BCA's Financial Statements which will be published quarterly.
- d. Conducted 10 (ten) meetings with DAI to:
 - i. Evaluated the annual plan.
 - ii. Evaluated the implementation of internal audits every semester.
 - iii. Conducted discussions on audit results that are considered quite significant.
- e. Reviewed reports on internal audit results and monitored follow-up actions.
- f. Audit Committee asked the work unit to provide an explanation regarding the plan to appoint KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC Global network) as a consultant to assist BCA in implementing the LIBOR Transition Program Phase II. This was conducted to avoid a conflict of interest because PwC was also appointed as the auditor for the 2021 BCA Financial Statements.
- g. Reviewed BCA's compliance with applicable regulations, regulations, and laws in the banking sector through a review of compliance reports against prudential regulations which are reported every semester.
- h. Reviewed the credit portfolio report issued every semester.
- i. Monitored the implementation of risk management through the quarterly report on the BCA Risk Profile and the monthly Operation Risk Management Information System (ORMIS) report.
- j. Conducted a review on:
 - i. The results of the examination by the Financial Services Authority and its follow-up.

- ii. Management Letter from KAP Tanudiredja, Wibisana, Rintis & Partners (a member firm of the PwC Global network) and its follow-up.
- k. Reported the results of reviews and evaluations on aspects of governance, risk management, compliance, and control to the Board of Commissioners every quarter.
- l. Attended the Analyst Meeting and BCA National Work Meeting 2021 virtually.
- m. Conducted an assessment of DAI whose the results are submitted to the Board of Commissioners then forwarded to the Remuneration and Nomination Committee (RNC) in accordance with OJK Regulation No. 1/ POJK.03/2019.
- n. Held a meeting with KAP Tanudiredja, Wibisana, Rintis & Partners (a member firm of the PwC Global network) to discuss the results of the audit of BCA Financial Statements for the 2021 financial year along with the Management Letter.

Realization of Work Programs and Implementation of ROC Activities in 2021

Throughout 2021, ROC has implemented the following:

- a. Monitor the implementation of duties of Risk Management Committee, Risk Management Work Unit, and the ITSC (Information Technology Steering Committee).
- b. Monitor BCA risk profile analysis and specifically explore credit risk, operational risk, market risk, and liquidity risk, as well as reputation risk.
- c. Perform analysis on the result of stress tests on credit risk, market risk, and liquidity risk.
- d. Ensure the implementation of Good Corporate Governance is carried out appropriately and attend Analyst Meeting and BCA National Work Meeting in 2021 virtually.
- e. Monitor the realization of Risk Management implementation, especially the control and limit of credit, liquidity, and market risk, as well as operational risk every month.
- f. Carry out monitoring of development, impact and risk mitigation in general regarding the COVID-19 pandemic.
- g. Changes in strategic risk profile due to changes in the pattern of business activities and economy due to the impact of the pandemic and its handling and publication several new regulations related to banking and the payment system is wrong one thing that needs to be considered carefully more special.
- h. Monitor and explore new regulations related to risk management.

Realization of Work Programs and Implementation of RNC Activities in 2021

The realization of RNC work programs in 2021 are as follows:

- a. Prepare recommendations for the nominations of members of the Board of Commissioners and Board of Directors for the year 2021-2026.
- b. Prepare recommendations regarding the remuneration of new members of the Board of Commissioners and Board of Directors for 2021-2024.
- c. Prepare recommendations regarding the proposed tantiem to the Board of Commissioners and Board of Directors for BCA's performance in 2021.
- d. Evaluate the results of the self-assessment of the Board of Directors and the Board of Commissioners.

Realization of Work Programs and Implementation of IGC Activities in 2021

Throughout 2021, IGC has carried out IGC activities/work programs, namely evaluating the implementation of Integrated Governance at the BCA Financial Conglomerate. The evaluation activities were carried out, among others, through the presentation and discussion of the Integrated Internal Audit Results Report and the Integrated Compliance Report.

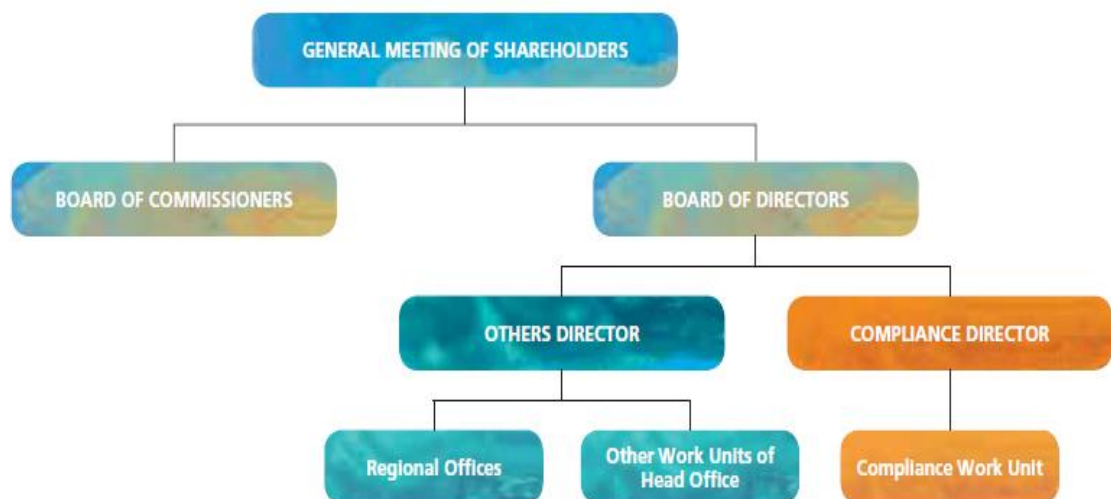
3) Implementation of Compliance Function, Internal Audit, and External Audit

a. Compliance Function

In performing the compliance function based on OJK Regulation No. 46/POJK.03/2017 concerning Implementation of Commercial Bank Compliance Function, BCA has established a Compliance Work Unit (SKK) as an independent work unit and free of influence from other work units. Moreover, as the Main Entity in the BCA Financial Conglomerate and in order to implement Integrated Governance for the Financial Conglomerate, BCA has added Integrated Compliance Function to the SKK organizational structure.

SKK Organizational Structure

SKK organizational structure is regulated based on the Board of Directors Decree No. 170/SK/DIR/2018 dated October 25, 2018. SKK is led by Head of Compliance Work Unit whose the appointment has been reported to the Financial Services Authority (OJK). SKK is directly responsible to the Director in charge of compliance function. The appointment of the Director in charge of compliance function has met the applicable requirement and has been carried out through a process as determined by Financial Services Authority (OJK).



SKK Responsibilities

The followings are the responsibilities of SKK:

- Monitor BCA's level of compliance in fulfilling the provisions of the Financial Services Authority (OJK), 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 the regulatory provisions;
- Coordinate the implementation of the Anti-Money Laundering and Prevention of Terrorism Financing Programs (AML and CFT), i.e. by being responsible to conduct

risk assessments of the implementation of AML and CFT program in pursuant to the regulatory provisions.

Integrated Compliance Function

In order to implement the Integrated Governance in accordance with OJK Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Good Corporate Governance for Financial Conglomerates, BCA as the Main Entity in the BCA Financial Conglomerate has also added an integrated compliance function within the SKK organization. The main task of the integrated compliance function in the SKK is to monitor and evaluate the implementation of the compliance function and the level of compliance at each Financial Service Institution (LJK) within the BCA Financial Conglomerate, including the implementation of the AML and CFT Programs.

To ensure implementation of BCA's compliance function, the Board of Directors and the Board of Commissioners have carried out active supervision through approval of policies and procedures, periodic reporting, clarification requests, and meetings.

Implementation of Compliance Function Duties During 2021

Throughout 2021, SKK has carried out the following functions:

1. Encourage the creation of a compliance culture
 - Socialize/inform the new regulations from regulator to the Board of Directors, Board of Commissioners, and work units.
 - Provide information about regulations enacted by OJK, BI, and other laws and regulations on the BCA portal site that can be accessed by work units.
 - Encourage human resources in the SKK to join various trainings, seminars on socialization of regulations from regulators, and compliance certification organized by the Banking Professional Certification Institute (LSPP) in order to improve quality, including actively participating in the working group of the Banking Compliance Director Communication Forum (FKDKP).
 - Carry out consultative functions related to the implementation of applicable regulations by providing advice/response to questions from the work units or branch.
2. Ensure that BCA's policies, provisions, systems, and procedures, as well as business activities comply with the following provisions:
 - Identify the sources of compliance risk.
 - Conduct gap analysis, analyze the impact of any new provision to BCA operations, and propose manual adjustments, internal policies and procedures.
 - Update the database in accordance to the applicable regulatory provisions
 - Develop a Compliance Matrix Diary as a monitoring tool to keep BCA's commitment to the reporting obligations to regulators.
 - Review and provide opinions to ensure compliance with the regulator's provisions for:
 - The design of new products and activities;
 - Internal regulations draft to be issued;
 - Adherence to corporate credit releases, and
 - Documents in order to ensure operational readiness for opening, changing addresses and closing office networks.
 - Conduct a compliance test on the implementation of provisions at Branch Office, in collaboration with the Branch Internal Supervisor.

- Monitor the level of compliance with applicable regulatory provisions pertaining to prudential banking principles, such as:
 - Minimum Capital Adequacy Requirement (KPMM);
 - Minimum Statutory Reserve (GWM);
 - Macroprudential Liquidity Buffer (PLM);
 - Net Open Position (PDN);
 - Legal Lending Limit (BMPK);
 - Non Performing Loan (NPL);
 - Macroprudential Intermediation Ratio (RIM);
 - Liquidity Coverage Ratio (LCR).
 - Monitor the imposition of sanctions/fines from regulators.
 - Conduct a compliance risk assessment and compile a Compliance Risk Profile Report every quarter, in order to manage compliance risk.
 - Prepare Quarterly Compliance Monitoring Report to be submitted to the Board of Director and Board of Commissioner.
 - Coordinate with the work units in order to assess the Bank's risk-based soundness.
 - Utilize information technology or known as Regulatory Technology (RegTech) to increase efficiency and effectiveness in the process of managing regulatory provisions.
3. Ensure BCA compliance against the commitments made to regulators:
- Monitor BCA's commitment to OJK, BI, and other regulators in collaboration with the Internal Audit Division (DAI).
 - Monitor and follow up on requests for information/data by OJK and BI in the context of Bank supervision.
4. Monitor and evaluate the compliance function of each Subsidiaries in the BCA Financial Conglomerate, and prepare an Integrated Compliance Report to be submitted to the Board of Directors and Board of Commissioners.

2021 Compliance Indicators

The compliance indicators in 2021 presented as the BCA's commitment and level of compliance with the prevailing laws and regulation, are as follow:

Table of Compliance indicators in 2021

No.	Compliance Indicator	Applicable Provision	BCA's Achievement	Description
1	Minimum Capital Adequacy Requirement (CAR) Covers the credit risk, market risk, and operational risk.	Min. 14% s.d. < 15%	25.66%	Complied with the applicable provisions
2	Non Performing Loan (NPL) Net	Maks. 5%	0.78%	
3	Legal Lending Limit (BMPK)	Maks. 10% of Equity	5.74%	
4	Minimum Statutory Reserve (GWM) Rupiah	Min. 3.5%	6.78%	
5	Macroprudential Liquidity Buffer (PLM)	Min. 6%	30.19%	
6	Minimum Statutory Reserve (GWM) Foreign Exchange	Min. 4%	4.18%	
7	Net Open Position (PDN)	Max. 20% of Equity	0.08%	
8	Liquidity Coverage Ratio (LCR)	Min. 85%	396.31%	
9	Macroprudential Intermediation Ratio (RIM)	84% - 94%	63.79 % ^{*)}	According to the RIM note below

Note:

^{*)} RIM BCA month December 2021 is lower than the lower limit of the RIM Target set by BI in PADG No. 22/11/PADG/2020 April 29, 2020 concerning Amendment to PADG No. 21/22/PADG/2019 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units, so that BCA is required to establish RIM Current Accounts in Rupiah equal to the calculation between the Lower Disincentive Parameter and the difference between BCA RIM and Target RIM against Third-Party Funds Rupiah.

Based on PADG No. 23/7/PADG/2021 dated April 26, 2021 regarding the Third Amendment to PADG No. 21/22/PADG/2019 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units, there is a gradual re-enactment of the Lower Disincentive Parameter (previously 0 in connection with the COVID-19 Pandemic). During the period September 1 – December 31, 2021, the Lower Disincentive Parameter for Banks with RIM <80%, NPL <5%, and CAR >19%, is set at 0.15.

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

BCA is committed to implement Anti-Money Laundering and Prevention of Terrorism Financing Program (AML and CFT) in accordance with OJK Regulation No. 12/POJK.01/2017 and OJK Regulation No. 23/POJK.01/2019 concerning Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program in Financial Services Sector and OJK Circular Letter No. 32/POJK.03/2017 concerning Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program in Banking Sector. Activities related to the implementation of AML and CFT program during 2021 are as follows:

- Submit periodic report on the implementation of AML and CFT to the Board of Directors and the Board of Commissioners.
- Monitor suspicious financial transactions using a web-based application named STIM (Suspicious Transaction Identification Model), develop and improve system of the application using the latest technology and update parameters to detect suspicious transactions.
- Coordinate the customer data updates by setting up the targets and monitoring the realization of targets.
- Review new product and activity plans to ensure they have paid attention to AML and CFT regulations.
- Screen customer data and transactions against the watchlist issued by the relevant authorities, including the List of Suspected Terrorists and Terrorist Organizations (DTTOT), and the List of Funding for Proliferation of Mass Destruction Weapons (DPPSP), The Office of Foreign Assets Control (OFAC) List, United Nations (UN) List, and European Union (EU) List, whenever a new account is opened and when there is a change in the watchlist.
- Identify and assess the risk of implementing AML and CFT in BCA using a risk-based approach by considering the factors related to customers, countries or geographical areas, products and services and distribution networks.

- Conduct compliance tests on the implementation of AML and CFT at branch offices in collaboration with Branch Internal Supervisors.
- Report suspicious financial transactions, cash financial transactions, and financial transactions for transfer of funds to and from overseas, and submit data through the Integrated Service User Information System (SiPESAT) and the Information System for Suspected Terrorism Funding (SIPENDAR) to the Financial Transaction Reports and Analysis Center (PPATK).
- Improve comprehension of AML and CFT continuously by organizing training and socialization through the classroom training, online training, e-learning, and virtual events or internal forums such as Coordination Meeting for the Head of the Operational Branch and the Service Operation Forum.
- Develop training materials for AML and CFT Implementation.
- Conduct periodic reviews of internal regulations related to AML and CFT in accordance with regulators and changes in BCA's processes or products.
- Participate in activities organized by regulators, including:
 - Implementation of PPATK's Financial Integrity Rating (FIR).
 - Intensive Program for the Preparation of Mutual Evaluation Review (MER) Implementation.

b. Internal Audit Division

Internal Audit Division (DAI) has a mission to improve and protect the value of BCA through providing risk-based and objective assurance, advice and insight, as well as acting as management strategic partner. In carrying out its functions, DAI referred to OJK Regulation No. 1/POJK.03/2019 dated January 28, 2019 concerning Implementation of Internal Audit Function in Commercial Banks. The implementation of the functions of DAI includes the following activities:

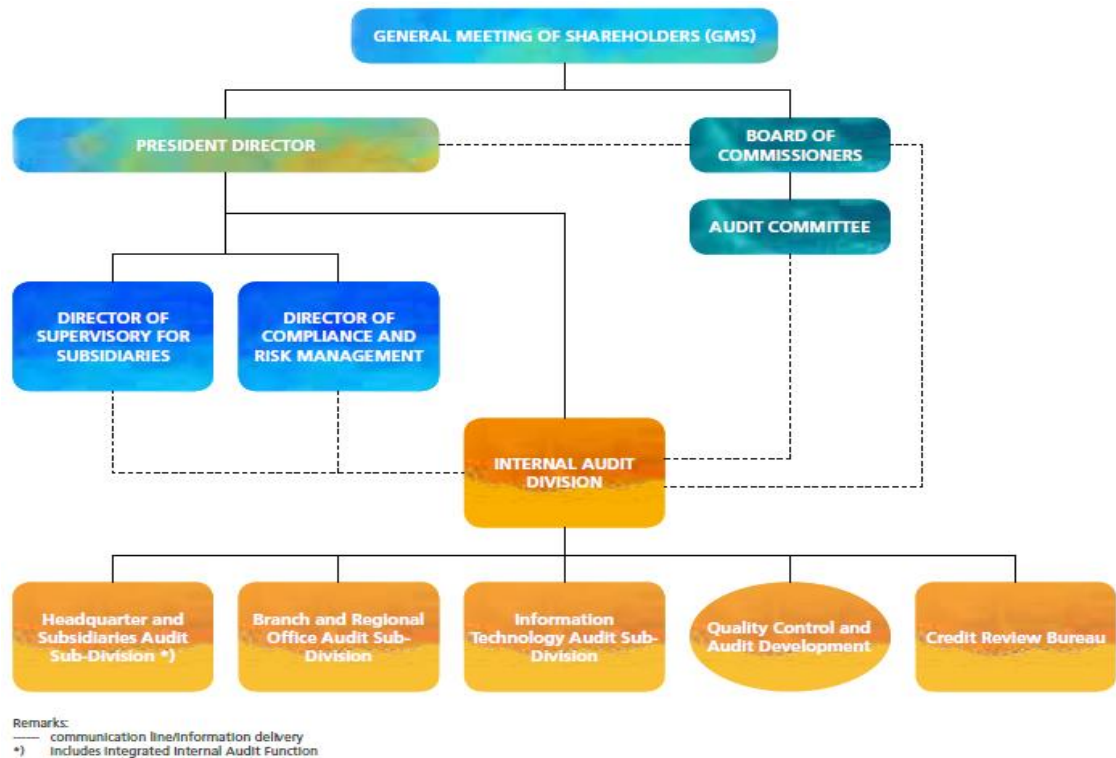
- Assurance, conducted based on risk based audit
- Independent and objective consultation to provide added value.

This aims to evaluate the adequacy and effectiveness of the risk management, internal control and governance processes.

Position and Structure of the Internal Audit Division

The position of DAI is independent and is directly responsible to the President Director and able to communicate directly with the Board of Commissioners and Audit Committee. The organizational structure of DAI is reviewed periodically to align with the company needs, the latest update of the DAI organizational structure has been stipulated through the Board of Directors Decree No. 063/SK/DIR/2017 concerning Revision of the Organizational Structure of the Internal Audit Division. The Head of DAI is appointed and dismissed by the President Director with the approval of the Board of Commissioners taking into account the recommendations of the Audit Committee.

DAI's organizational structure is as follows:



The Integrated Internal Audit function is carried out by DAI in accordance with OJK Regulation No. 18/POJK.03/2014 concerning Implementation of Integrated Corporate Governance for Financial Conglomerates. The implementation of integrated internal audit mainly covers:

- Monitoring the implementation of the Subsidiary's internal audit function and provide recommendations that enhances added value.
- Conducting audit on subsidiaries.
- Supporting the development of Subsidiary's internal audit function.

Internal Audit Charter

DAI has an internal audit charter which has been reviewed and updated periodically in accordance with BCA requirements and prevailing regulations. The last update of the internal audit charter was carried out in May 2019, approved by the President Director and Board of Commissioners, by taking into account the recommendations of Audit Committee. Internal audit charter as a frame of reference in carrying out its duties and contains mission, position in the organization, independency and objectivity, authority, and scope of work. The establishment of an internal audit charter is referring to OJK Regulation No. 56/POJK.04/2015 concerning Establishment and Guidelines for Internal Audit Charter and has been adjusted to OJK Regulation No. 1/POJK.03/2019 dated January 29, 2019 concerning Implementation of Internal Audit Function in Commercial Banks and applicable professional standards.

Independency and Objectivity

To support independency and ensure the smooth audit along with monitoring the follow up of audit results, Head of DAI is responsible to the President Director and able to communicate directly with the Board of Commissioners and Audit Committee. Throughout 2021, there were 8 (eight) meetings with President Director, 8 (eight) meetings with Audit Committee, and 2 (two) meetings with the Board of Commissioners.

DAI has no authority and responsibility to carry out operational activities, both at BCA and its subsidiaries. In addition, each auditor required to make a statement that no family/financial/other interest related to the object of audit and/or the auditee which may impair the objectivity of audit.

Throughout 2021, DAI has carried out audit activities independently. There are no conflicts of interest, limitation on the scope and access to data of personnel or property, as well as restriction of resources that can impair the independence and objectivity of the audit.

Auditor's Code of Ethics

DAI has the auditor's code of ethics as a standard and reference to behave and think in carrying out their duties and functions. 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 competency. Annually, auditors in DAI make a statement to comply with the auditor's code of ethics as an effort to increase commitment and trust of stakeholders.

Duties and Responsibilities of Internal Audit Division

The scope of the assignment of DAI covers the activities in Branch Offices, Regional Offices, Headquarters, Subsidiaries, and BCA's activities being outsourced to third parties activities, 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. Develop and implement a risk-based annual audit plan and report the realization to the President Director, Board of Commissioners and Audit Committee.
3. Perform audit activities by testing and evaluating the adequacy and effectiveness of the risk management process, internal control, governance processes, and providing recommendations for improvements.
4. Evaluate the performance and achievement of targets from the work program of the Branch Office/Regional Office/Head Office.
5. Perform investigations if there any indications of fraud either obtained from audit activities or whistleblowing systems.
6. Perform special investigations/audit based on the request of Board of Commissioners, Audit Committee, or Board of Directors.
7. Coordinate with working units that perform other assurance functions to increase the effectiveness of the internal control system.
8. Monitor, analyze and report the follow-up actions that have been carried out by the auditee align with the recommendation of audit results.
9. Carry out continuous credit quality assessments.
10. Compile and submit reports of audit results to the Board of Commissioners, the Audit Committee and Board of Directors, as well as other reports on the implementation of internal audit function to the OJK in accordance with applicable regulations.
11. Carry out the integrated internal audit function.
12. Act as a consultant for BCA internal parties, especially related to the scope of internal audit.

Quality Audit Implementation and Development Standards

DAI uses the Mandatory Guidance (covering Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing) established by The Institute of Internal Auditors and OJK Regulation

No. 1/POJK.03/2019 concerning Implementation of Internal Audit Function in Commercial Banks, as the Internal Audit Professional Standard. In addition, DAI also uses the standard issued by Information System Audit and Control Association (ISACA) as a reference for best practices.

Audit implementations are carried out in accordance with risk-based audit methodology. In line with developments in technology, DAI continues to optimize the use of data, develop tools and technology to increase the effectiveness and efficiency of audit as well as increase added value and early warning systems of potential errors/fraud, among others by implementing Continuous Auditing and Predictive Analytic Tools.

To support audit activities, DAI has used an integrated Audit Management System to support the implementation of the audit process, from the audit planning, to monitoring follow up the audit results.

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 June 2020 with the conclusion is generally conform and the report submitted to OJK in August 2020.

Implementation of Internal Audit Division Activities during 2021

In 2021, DAI has conducted audits of Branch Offices, Regional Offices, Divisions/Work Units of the Head Office, and Subsidiaries in accordance with the Annual Audit Plan which is determined based on the results of risk assessments that are carried out regularly by taking into account the latest risk factors. The focus of the audit examination in 2021, among others:

1. Credit quality related to credit restructuring and process;
2. The implementation of Future Branch Model is in line with its wider implementation to improve services in meeting customer needs by taking advantage of technological developments;
3. Reliability of the main applications that support bank operations (treasury, accounting, remittance).
4. Implementation of Anti-Money Laundering and Counter Terrorism Financing (APU and PPT).
5. Regulatory audit in accordance with Bank Indonesia and OJK regulation:
 - Payment system process.
 - Internal Capital Adequacy Assessment Process (ICAAP).

Focus of 2022 Audit Plan

Focus of 2022 audit assessment is adjusted in accordance with the results of the risk assessment, especially related to credit, operational, market, and liquidity risk as follow:

1. Credit quality related to restructuring;
2. Mobile banking;
3. Implementation of risk management;
4. Treasury;
5. Reliability of the main applications that support bank operations, such as credit cards and foreign exchange trading;
6. Increase the role of Early Warning Systems (EWS) by continuously expanding the scope of audits through continuous auditing and data analytics and developing

predictive analytic tools/machine learning for early detection of potential errors/fraud by utilizing the latest technology;

7. Continue to develop auditor competence and professionalism on an ongoing basis;
8. Enhance the integrated internal audit function by providing support for the development of Subsidiary's internal audits, and provide recommendations for improvement.

c. Implementation of External Audit Function

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

1. BCA uses the services of a Public Accountant (PA) and/or a Public Accounting Firm (PAF) to carry out an annual audit of historical financial information based on work agreement with the PAF. The work agreement includes the scope of the audit.
2. The use of audit services from the same PA is limited for maximum audit period of 3 (three) consecutive financial years. BCA may reappoint the annual historical financial information audit services from the same PA after 2 (two) consecutive financial reporting years without using the services of the same PA.
3. The appointed PA and/or PAF are PA and/or PAF registered at OJK.
4. The appointment of PA and/or PAF that will provide audit services on annual historical financial information must be approved by the GMS and considering proposal of the Board of Commissioners. The proposal must take into account the recommendations of the Audit Committee. If GMS cannot decide on the appointment, the GMS may delegate the authority to the Board of Commissioners accompanied by an explanation of the reasons for the delegation of authority and the criteria or limitations of the PA/PAF that can be appointed.
5. In preparing recommendations, Audit Committee may consider:
 - a. Independency of PA, PAF, and people within the PAF;
 - b. Scope of audit;
 - c. Audit fee;
 - d. Expertise and experience of PA, PAF, and Audit Team from the PAF;
 - e. Audit methodology, technique, and platform used by the PAF;
 - f. Benefits of fresh eye perspectives that will be obtained through replacement of PA, PAF, and Audit Team from the PAF;
 - g. Potential risk on the use of audit services by the same PAF consecutively for a relatively long time period; and/or
 - h. The result of evaluation on the provision of audit services on annual historical financial information by PA and PAF on 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 OJK Circular Letter No. 36/SEOJK.03/2017 concerning Procedures for Using of the Services of PA and PAF in Financial Services Activities, by attaching:
 - a. Documents of appointment of PA and/or PAF including Summary of Minutes of General Meeting of Shareholders or Minutes of General Meeting of Shareholders, Work Agreement between BCA and PAF.

- b. Audit Committee recommendation and considerations used in providing recommendation for appointment of PA and PAF.

Effectiveness of External Audit Implementation

The Audit Committee evaluates the implementation of audit services provision on annual historical financial information provided by the PA and/or PAF, at least including:

- a. Conformity of audit implementation by PA and/or PAF with prevailing audit standards;
- b. Sufficiency of field work period;
- c. Assessment of the scope of services provided and sufficiency of sampling; and
- d. Recommendation for improvement given by PA and/or PAF.

The Audit Committee report of evaluation results is submitted by the Board of Directors of BCA by using the form contained in the attachment of OJK Circular Letter No.36/SEOJK.03/2017 concerning Procedure for Using of the Services of Public Accountants and Public Accounting Firms in Financial Service Activities and signed by the Audit Committee on February 10, 2021.

Relationship between Bank, Public Accountants, and Financial Services Authority

In carrying out the audit, BCA continues to communicate with external auditors regarding the audit plan, audit progress and other important issues to support the the audit process. The audit report is submitted to the Financial Services Authority in accordance with the applicable laws and regulations.

2021 Audit Fee

KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) was appointed as BCA's auditor to audit BCA's financial statements for the year ended December 31, 2021, with the service fee of Rp7,770,000,000.00 (seven billion seven hundred and seventy million rupiah) excluding VAT.

Other Services than Audit Provided by PAF/PA

In 2021, KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network) also provided other services in the form of limited review of BCA for the financial statements period of June 30, 2021, which was subsequently discontinued or canceled. BCA pays a fee of Rp2,500,000,000.00 (two billion five hundred million rupiah) excluding VAT, for the implementation of the limited review that has been carried out.

Informations regarding PAF and PA that performed audit services of BCA for the past 5 (five) years, are as follows:

	2021	2020	2019	2018	2017
PAF	KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network)	KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network)	KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network)	KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network)	KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of PwC Global Network)
PA	Jimmy Pangestu	Jimmy Pangestu	Lucy Luciana Suhenda	Lucy Luciana Suhenda	Lucy Luciana Suhenda

4. Implementation of Risk Management

BCA implements effective risk management and internal control system that is tailored to the objectives, business policies, size, and complexity of BCA's business activities. The Board of Commissioners and Board of Directors of BCA are responsible for the integrated implementation of risk management and internal control systems at BCA and its Subsidiaries.

In ensuring the implementation of effective risk management, BCA is guided by the requirements and procedures as stipulated in the regulatory provisions and refers to international best practices. BCA has a BCA's Fundamental Risk Management Policy and the Fundamental Policy of Integrated Risk Management of BCA Financial Conglomerate. The policy refers to OJK Regulation No. 18/POJK.03/2016 dated March 16, 2016, concerning the Implementation of Risk Management for Commercial Banks, OJK Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates.

Overview of the Risk Management

In order to manage risk, BCA has implemented an integrated Risk Management Framework. The framework is used as a means of setting strategy, organization, policies, and procedures, as well as risk management infrastructure to ensure that all risks faced by BCA can be identified, measured, monitored, controlled, and reported correctly.

The BCA and Integrated risk management implementation framework describes the risk management framework and processes that have interrelationships and reciprocal relationships, both between the Board of Commissioners, the Board of Directors, supporting committees under the Board of Commissioners and the Board of Directors, between Divisions and with Subsidiaries.

BCA's risk management implementation includes:

1. Active supervision of the Board of Commissioners and the Board of Directors.
The implementation of active supervision by the Board of Commissioners and the Board of Directors is carried out in accordance with the duties and responsibilities as stipulated in the Corporate Governance Guidelines on the Implementation of Risk Management. The Board of Commissioners actively maintains communication with the Board of Directors and provides advice regarding strategic steps in the implementation of risk management at BCA.
 - a. Oversight of the Board of Commissioners is assisted by the Risk Oversight Committee (ROC) whose function is to ensure that the existing risk management

framework provides adequate protection against all BCA risks. ROC has the following main tasks:

- 1) Provide recommendations and independent professional opinions regarding the conformity between policies and the implementation of risk management policies to the Board of Commissioners.
 - 2) Monitor and evaluate the implementation of the tasks of the Risk Management Committee and the Risk Management Work Unit.
- b. Supervision of the Board of Directors is assisted by:
- 1) The Risk Management Committee (RMC) which has the main task of providing recommendations to the President Director which at least includes:
 - Formulation of policies, strategies, and guidelines for the implementation of risk management.
 - Improvement or improvement of the implementation of risk management based on the evaluation results of the implementation of an effective risk management process and system.
 - Determination of matters related to business decisions that deviate from normal procedures (irregularities).
 - 2) The Integrated Risk Management Committee (IRMC), which has the main task of providing recommendations to the Board of Directors of BCA as the Main Entity, includes at least:
 - Formulation of integrated risk management policies.
 - Improvement or refinement of the integrated risk management policy based on the results of the implementation evaluation.
- In addition, the Committee has the authority to review and provide recommendations on matters relating to integrated risk management for requesting a decision from the Board of Directors.
- 3) Other committees tasked with handling risks more specifically include the Credit Policy Committee (CPC), Credit Committee (CC) and Asset and Liability Committee (ALCO).
2. Adequacy of risk management policies and procedures as well as setting risk limits.
- a. BCA has carried out risk management and ensured the availability of policies and setting risk limits supported by procedures, reports and information systems that provide management with accurate and timely information and analysis, including determining steps to deal with changing market conditions.
 - b. BCA has ensured that in the process of compiling work systems and procedures, the operational and business aspects have been taken into account as well as the level of risk that may occur within a work unit.
 - c. BCA already has a Fundamental Risk Management Policy and an Integrated Risk Management Fundamental Policy as the main guidelines in the implementation of risk management at BCA and the BCA Financial Conglomerate. The provisions stipulated in Fundamental Risk Management Policy and Integrated Risk Management Fundamental include:
 - 1) Framework for implementing risk management for each type of risk.
 - 2) Report on the implementation of risk management.
 - 3) Implementation of consolidated risk management.
 - 4) Implementation of integrated risk management.

- d. Review and update policies, procedures, and risk management framework on a regular basis in accordance with the needs of BCA and the prevailing laws and regulations.
3. Adequacy of risk identification, measurement, monitoring and control processes, as well as risk management information systems.
 - a. BCA has adequate procedures for risk identification, measurement, monitoring and control as well as a risk management information system. Risk exposure monitoring is carried out continuously by the Risk Management Work Unit.

The Risk Management Work Unit has been established to ensure that BCA and its Subsidiaries in an integrated manner carry out risk mitigation properly through identification, measurement, monitoring, control and reporting in accordance with the risk management framework and are able to deal with emergency situations that threaten the continuity of BCA's business.

- b. BCA has developed a technology-based information system, namely the Integrated Risk Management Information System (IRMIS) application which is used to prepare:
 - 1) BCA Risk Profile Report (LPR BCA).
 - 2) Integrated Risk Profile Report (LPRT).
 - 3) Integrated Capital Adequacy Report (LKPT).

A review of the risk management information system is carried out on a regular basis in accordance with the needs of BCA and the prevailing laws and regulations.

4. Comprehensive internal control system

Risk Management

According to OJK Regulation No. 17/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates and OJK Circular Letter No. 14/SEOJK.03/2015 dated May 25, 2015 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA became the Main Entity of the BCA Financial Conglomerate, which integratedly manages 10 (ten) types of risk, as follows:

1. Credit Risk

- a. Credit organization continues to be refined by referring to the four-eyes principle where credit decisions are taken based on considerations from two sides, namely the business development side and the credit risk analysis side.
- b. Continuous improvement of the Bank's Basic Credit Policy (KDPB) in line with BCA developments, regulatory provisions, and in accordance with prudential banking principles and international best practices.
- c. Improvements to procedures and credit risk management systems were carried out through the development of a "Loan Origination System" on the workflow of the credit granting process (from start to finish) so that an effective and efficient credit process could be achieved. The development of the debtor risk profile measurement system continues to be developed so that it can be implemented as a whole, as well as the credit database development process that is continuously carried out and refined.

- d. To maintain good credit quality, monitoring of credit quality continues to be carried out on a regular basis, including loans restructured by COVID-19, both per credit category (Corporate, Commercial, Small and Medium Enterprise (SME), Consumer and Credit Card), industrial sector and the overall loan portfolio. For branches that have SME/Homeowner Credit (KPR)/credit card loans with a ratio of Third-Party Funds 30+ (overdue >30 days) and high NPLs, close monitoring and control of authority is carried out so that branches can focus on improving credit quality.
- e. Development of credit risk management activities by conducting regular credit portfolio stress testing analysis as well as monitoring the results of stress testing is useful for BCA as a tool to estimate the magnitude of the impact of risk on “stressful conditions” so that BCA can develop appropriate strategies to mitigate these risks as part of the implementation of the “contingency plan”.
- f. In order to monitor and control credit risk occurring in Subsidiaries, BCA has conducted regular monitoring of credit risk in Subsidiaries and ensures that Subsidiaries have a good and effective Credit Risk Management Policy.
- g. Development of a credit monitoring system such as the Early Warning System (EWS) and reviewing credit provisions in accordance with the latest regulations from regulators and developments in the credit business while still taking into account the prudential principles and BCA’s risk appetite.
- h. In 2021, credit risk management will still focus on developing a credit scoring system using advanced analytics to support sustainable credit growth.
- i. BCA has also developed a credit restructuring policy for debtors affected by COVID-19 by referring to:
 - 1) OJK Regulation No. 11/POJK.03/2020 dated March 13, 2020, concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019.
 - 2) OJK Regulation No. 48/POJK.03/2020 dated December 1, 2020, concerning Amendments to the OJK Regulation No. 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019 and OJK Regulation No. 17/POJK.03/2021 dated September 10, 2021, concerning the Second Amendment to the OJK.
 - 3) OJK Regulation No. 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the 2019 Corona Virus Disease.

These policies include:

- 1) Establishment of credit quality and criteria for debtors that can be restructured.
- 2) Develop a restructuring scheme in each credit segment.
- 3) The authority of the restructuring officer.
- 4) Monitoring of restructured loans.

2. Market Risk

- a. In managing foreign exchange risk, BCA focuses on managing the Net Open Position (NOP) in the Treasury Division, which combines daily NOP Reports from all branches. In general, each branch must cover its foreign exchange risk at the end of each working day, although there is a tolerance limit for NOP for each branch depending on the size of the foreign exchange transaction activity at the

branch. BCA prepares a daily NOP Report that combines NOP in the consolidated statement of financial position and off-balance-sheet accounts.

- b. To measure foreign exchange risk, BCA uses the Value at Risk (VaR) method with a Historical Simulation approach for internal reporting purposes, while for the calculation of the Minimum Capital Adequacy Requirement reporting, BCA uses the standard method in accordance with regulatory requirements.
- c. ALCO regularly monitors market developments and adjusts deposit and loan interest rates.
- d. BCA monitors the movement of the benchmark interest rate and the interest rates offered by competing banks to determine the interest rates for funds and loans.
- e. In order to anticipate the impact of the COVID-19 pandemic on market risk, BCA has taken several steps, including analyzing and reviewing risk weighting policies to anticipate market risk as reflected in the increased volatility of the USD exchange rate against IDR, as well as conducting stress testing for Trading and Available for Sale positions periodically.

3. Liquidity Risk

- a. BCA attaches great importance to maintaining adequate liquidity in fulfilling its commitments to customers and other parties, both in terms of providing credit, repaying customer deposits, as well as meeting operational liquidity needs. The overall liquidity needs management function is carried out by ALCO and operationally by the Treasury Division.
- b. Measurement and control of liquidity risk is carried out through:
 - 1) Supervision of liquidity reserves and liquidity ratios such as Loan to Deposit Ratio (LDR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
 - 2) Analysis of maturity profile, cash flow projections.
 - 3) Regular stress testing to see the impact on BCA's liquidity in the face of extreme conditions. BCA also has a contingency funding plan to deal with these extreme conditions.
- c. Maintain Rupiah liquidity and Foreign Exchange (Minimum Statutory Reserves/GWM) in accordance with regulatory provisions, both daily and on average for a certain reporting period, which consists of:
 - 1) Statutory Reserves and RIM Demand Deposits (Macroprudential Intermediation Ratio) in the form of Rupiah demand deposits with Bank Indonesia.
 - 2) PLM (Macroprudential Liquidity Buffer) in the form of SBI, SDBI, and SBN.
 - 3) Statutory Reserves for foreign currency in the form of foreign currency demand deposits at Bank Indonesia.
- d. In order to anticipate the impact of the COVID-19 pandemic on liquidity risk, BCA has taken several steps, including:
 - 1) Increasing monitoring activities on the development of secondary reserves and liquidity ratios to ensure adequate liquidity and Early Warning Indicators (EWI) as a leading indicator of liquidity risk.
 - 2) Conducting stress testing simulation of liquidity risk.
 - 3) Increase the frequency of ALCO Meetings with the aim of reviewing interest rates on funds and loans.

4. Operational Risk

- a. The main objective of operational risk management is to minimize the possible negative impact of inadequate and/or malfunctioning internal processes, human errors, system failures, and/or external events. Operational risk management is constantly being developed in order to adapt to the constantly changing business environment and minimize the risks faced by banks.
- b. To be able to manage and minimize these operational risks, BCA has an Operational Risk Management Framework, and implements an Operational Risk Management Information System (ORMIS), which is a web-based application consisting of several tools and methodologies, as follows:
 - 1) Risk Control Self Assessment (RCSA) is used as a means to instill a risk culture (a culture of managing risk) and increase risk awareness (awareness of risk) to all work units.
 - 2) The Loss Event Database (LED) is used as a means of recording operational losses used in calculating the allocation of capital charges, continuous monitoring of events that can cause operational losses for BCA, and analysis of risks faced by banks, so that they can corrective/preventive actions are taken to minimize/mitigate the risk of operational losses that may arise in the future.
 - 3) Key Risk Indicator (KRI) is used as a tool that can provide an early warning sign of the possibility of an increase in operational risk in a work unit. This KRI is also further developed into Predictive Risk Management which can assist work units in monitoring risk exposure.
- c. In accordance with regulatory provisions, BCA has allocated capital to provide for losses from operational risk using the Basic Indicator Approach method. In addition, with the implementation of the RWA calculation for Operational Risk using a standard approach by the regulator, BCA will conduct a gap analysis and prepare things that need to be done in order to meet the specified requirements.
- d. To support banking transaction services 24 (twenty-four) hours a day without interruption, BCA operates 2 (two) redundant data centers (works in mirroring) and has a Disaster Recovery Center (DRC). DRC continues to be developed as part of Business Continuity Management and is designed to operate as a Crisis and Command Center. In addition, BCA has a Secondary Operation Center that is ready to be used in the event of a disturbance/disaster in the building/work location of BCA's critical work units.
- e. In order to minimize the risk impact of the COVID-19 pandemic, BCA does the following, including:
 - 1) Conduct risk analysis and mitigation of changes in operational processes at the bank such as changes in working methods, changes in processes in providing services to customers, and new/developed digital activities/products.
 - 2) Dissemination to workers regarding information related to COVID-19, appeals to anticipate the spread of COVID-19, and preventive actions that can be taken. In addition, a call center is also provided as a means for workers who need information related to COVID-19.
 - 3) Safeguarding the environment/work area for workers and customers:
 - Taking body temperature measurements when entering the BCA building.
 - Improve sanitation facilities and infrastructure.

- Provide hand sanitizer.
 - Conduct self-assessment of employees/guests (except customers) who will enter the BCA work area.
 - Conducting assessments for workers who travel out of town.
 - Establish social distancing in office areas and elevators.
 - Prohibit cross building activities.
 - Carry out COVID-19 vaccinations for workers and their families in order to break the chain of COVID-19 spread.
- 4) Office activity settings:
- Separating the work location (split operation) of head office/regional office workers related to customer service operational transactions.
 - Performing work from home (WFH) alternately for head office/regional/branch office workers according to their conditions and needs.
 - Postponing face-to-face activities that involve many people, such as meetings and training or carrying out these activities using the conference call/video conference method.
 - Limiting/adjusting service hours at branch offices, weekend banking services, and closing several Supporting Branch Office/Cash Offices/Cash Cars.
 - Setting working hours for WFO staff:
 - Flexi time for non-transactional Head Office work units for customer service operations.
 - Go home early for work units at Head Office/Regional Offices/Branch Offices related to customer service operational transactions (minimum at 16.00 with permission from the work unit leader if Enforcement of Restrictions on Community Activities level 2-4 is applied)
- f. To maintain security in conducting digital banking transactions, banks implement cyber risk management by referring to the company's strategy and regulatory directives as well as conducting regular security awareness socialization to:
- 1) Workers and management in the form of e-learning, videos, infographics, and phishing email simulations.
 - 2) Customers in the form of webinars.

5. Legal Risk

- a. Inherent legal risk is assessed based on the potential loss from cases that occur in BCA and its Subsidiaries which are currently in process or have been completed in court compared to BCA's capital and consolidated capital. The parameters used to calculate the potential loss in cases that are still being processed in court are the basis of the lawsuit (position case), the value of the case, and legal documentation. Meanwhile, the parameter used to calculate the loss from a claim is the loss suffered by BCA and its Subsidiaries based on a court decision that has permanent legal force.
- b. To identify, measure, monitor, and control legal risk, BCA has established a Legal Group at the Head Office and Legal Work Units in all Regional Offices.
- c. In order to mitigate legal risks, the Legal Group has undertaken, among others:
 - 1) 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.

- 2) Hold legal communication forums to improve the competence of legal staff.
- 3) Disseminating the impact of the new regulations in force on BCA's banking activities and various modus operandi of banking crimes and legal handling guidelines for branch officials, Regional Office and related Head Office work units.
- 4) Conduct legal defense of civil and criminal cases involving BCA that is in the process in court and monitor the progress of the case.
- 5) 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.
- 6) 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.
- 7) Monitor and carry out legal actions for violations of BCA's assets including violations of BCA's Intellectual Property Rights (IPR).
- 8) Monitor and analyze cases currently in process in court faced by BCA and Subsidiaries.
- 9) Conduct an inventory, monitor, analyze and calculate potential losses that may arise related to legal cases that occur.

6. Reputation Risk

- a. 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 complaint resolution.
- b. Infrastructure development which includes proper software and hardware implementation use (among others HaloBCA Telephone Service and WhatsApp/WA Chat 24 hours, BCA CRM Contact Center, Web Chat via www.bca.co.id, and the application haloBCA that can be used by mobile users with IOS and android platforms), development better procedures and work management making it easier to monitor and system management information that can support organizational speed and quality.
- c. Reputation Risk is managed based on regulatory provisions.
- d. Evaluation of assessment and implementation parameters reputation risk management is carried out periodically.

7. Strategic Risk

- a. 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 strategy and high-risk strategy, BCA's business position and achievement of the Bank's Business Plan.
- b. Assessment of the quality of strategic risk management implementation is carried out using parameters such as risk governance, risk management framework, risk management process, adequacy of Management Information System and Human Resources, and adequacy of the risk control system.

8. Compliance Risk

- a. Compliance risk is one type of risk that must be managed by BCA, considering that this risk can cause financial and non-financial losses.
- b. In accordance with OJK Regulation No. 46/POJK.03/2017 dated July 12, 2017 concerning the Implementation of the Compliance Function of Commercial

Banks, BCA has appointed a member of the Board of Directors as the 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 its implementation. In carrying out his duties, the Director in charge of the compliance function is assisted by a Compliance Work Unit which is independent of the operational work unit.

- c. In assessing inherent compliance risk, the parameters used are the type and significance of the violations committed, the frequency of violations committed or compliance track record, and violations of the provisions of certain financial transactions. In addition, Compliance Work Unit is also responsible for the implementation of the Anti-Money Laundering and Prevention of Terrorism Financing Programs (AML and CFT), including being responsible for conducting a risk assessment of the implementation of the AML and CFT programs in accordance with regulatory provisions.
- d. BCA has compliance policies and procedures, which include, among others, a process to always adjust internal regulations and systems with applicable regulations, communicating provisions to related employees, conducting reviews of new products/activities, conducting regular compliance tests, and training employees. The results of the Compliance Director's supervision are reported quarterly to the President Director with a copy to the Board of Commissioners.
- e. BCA utilizes information technology or known as Regulatory Technology (RegTech) to improve efficiency and effectiveness in the process of managing regulatory provisions.
- f. In order to support the bank's strategic positioning as a transactional bank, particularly in relation to the prevention of money laundering and terrorism funding, BCA has used a web-based application originating from the STIM (Suspicious Transaction Identification Model) and developed a system for the application using the latest technology and parameters to be able to detect transactions.
- g. BCA also performs customer data and transactions related to the List of Suspected Terrorists and Terrorist Organizations (DTTOT) and the List of Funding for the Proliferation of Weapons of Mass Destruction (DPPSP) published by the authorities at the time of account opening, when BCA establishes a relationship, and when there is a change in the relationship between the lists.

9. Intra-Group Transaction Risk

- a. Inherent intra-group transaction risk assessment is carried out using parameters such as the composition of intragroup transactions within the Financial Conglomerate, documentation, and fairness of transactions and other information.
- b. Assessment of the quality of intra-group transaction risk management implementation using parameters such as risk governance, risk management framework, risk management process, Management Information System, and Human Resources, as well as the adequacy of the risk control system.

10. Insurance Risk

- a. Insurance risk assessment is carried out using parameters such as technical risk, the dominance of insurance risk overall business lines, product risk mix and types of benefits, and reinsurance.

- b. Assessment of the quality of insurance risk management implementation is carried out using parameters such as risk governance, risk management framework, risk management process, Management Information System and Human Resources, as well as the adequacy of the risk control system.

Review/Result of Assessment on Implementation of Risk Management System

Based on the results of the self-assessment, in 2021 the risk profile rating of BCA individually and in an integrated manner with Subsidiaries is “low to moderate.”

The risk profile rating is the result of an assessment of the inherent risk rating of “low to moderate” and the quality rating of “satisfactory” risk management implementation. The risk level rating of the 10 (ten) types of risk assessed is as follows:

- a. Risks that have a “low” risk rating are Market Risk, Liquidity Risk, Legal Risk, and Intra-Group Transaction Risk.
- b. Risks that have a “low to moderate” risk rating are Credit Risk, Operational Risk, Reputational Risk, Strategic Risk, Compliance Risk, and Insurance Risk.

This integrated risk profile rating of “low to moderate” can be achieved because BCA and its Subsidiaries (BCA Financial Conglomerate) have implemented an effective and efficient risk management process in all their activities.

- a. The trend of integrated inherent risk for the coming period is stable because it is not expected that there will be a significant change in inherent risk. KK BCA needs to pay attention and pay close attention to the impact of the COVID-19 pandemic which puts pressure on macroeconomic conditions because it can have an impact on BCA Financial Conglomerate’s business activities, but risks to all BCA Financial Conglomerate business activities are expected to be managed based on the principle of prudence.
- b. The quality of the implementation of integrated risk management for the coming period will remain strong. This is because KK BCA has established an Integrated Risk Management Framework consisting of strategy, organization, policies, and procedures, as well as risk management infrastructure and continuously reviews risk management in all its activities to ensure that all risks faced by BCA Financial Conglomerate can be identified, measured, monitored, controlled and reported properly.

The risk management policies of BCA and its Subsidiaries are continuously updated in accordance with the regulations/regulatory provisions, the direction of development of the implementation of the Basel II and III Accord, prudential banking principles, and international best practices. BCA Financial Conglomerate will continue to pay attention to the economic situation and conditions as well as banking developments in carrying out their business.

Statement on the Adequacy and Effectiveness of Risk Management System

BCA has evaluated the implementation of the system risk management in 2021 where:

- a. The Board of Directors continuously evaluates the effectiveness of the risk management system at BCA through periodic reviews of the applicable risk management policies and procedures, the adequacy of the risk management information system, as well as risk exposure reports, and an assessment of BCA’s risk profile.
- b. The Board of Commissioners is assisted by the Risk Oversight Committee which plays an active role in supervising and evaluating the implementation of the risk management system that has been carried out by the Board of Directors.

Based on the evaluation results submitted by management, the Board of Commissioners considers that the risk management system at BCA is adequate and running effectively.

Internal Control System

BCA implements a supervisory mechanism established by management on an ongoing basis which is adjusted to the objectives, size, and complexity of BCA's business activities by referring to the requirements and procedures as stipulated by the regulator. The implementation of BCA's internal control system refers to OJK Circular Letter No. 35/SEOJK.03/2017 dated July 7, 2017 concerning Guidelines for Internal Control System Standards for Commercial Banks.

The Purpose of Internal Control System

The implementation of an effective internal control system at BCA aims to ensure:

- a. Compliance with laws and regulations and internal policies/provisions.
- b. Completeness, accuracy, efficiency, and timeliness of providing financial and management information.
- c. Effectiveness and efficiency of operational activities.
- d. Effectiveness of overall risk culture.

In addition, to support OJK Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates, BCA has developed a comprehensive internal control system for the implementation of integrated risk management by ensuring:

- a. Compliance with internal policies or provisions as well as applicable laws and regulations;
- b. Availability of complete, accurate, effective, and timely financial and management information; and
- c. Effectiveness of risk culture in the overall Financial Conglomerate organization.

Internal Control System Framework

BCA applies the Three Lines Model framework to support the creation of reliable risk management and governance. The implementation of Three Lines Model principle at BCA is as follows:

1. Management

The responsibilities of the Board of Commissioners and its Supporting Committees, among others to ensure:

- a. Existing structures and processes are adequate and in place for effective governance implementation.
- b. The goals and activities of the organization are aligned with the main interests of the stakeholders.

2. First and Second Line

- a. The first line is responsible for providing products and services to customers includes managing the related risk.
- b. The second line plays a role in providing support related to risk management, including responsibility for enterprise risk management. The role of second line is carried out by the Director of Compliance and Risk Management, the Risk Management Unit (SKMR), and the Compliance Work Unit (SKK).

3. Third Line

The role of the third line is to provide risk-based assurance and advice, independent and objective regarding the adequacy and effectiveness of governance, risk management, and internal control processes. The role of third line is carried out by the Internal Audit Division (DAI) which shall communicate the audit results to the Board of Directors, Board of Commissioners, and Committees.

In carrying out their roles, all lines communicate and collaborate regularly and contribute to create and maintain the values that are align with the interests of stakeholders.

Main Components of Internal Control System

BCA's internal control consists of 5 (five) main components align with the Internal Control Integrated Framework developed by The Committee of Sponsoring Organization of the Treadway Commission (COSO), including:

- a. Management Oversight and Control Culture.
- b. Risk Recognition and Assessment.
- c. Control Activities and Segregation of Duties.
- d. Accountancy, Information, and Communication.
- e. Monitoring Activities and Correcting Deficiencies.

Throughout 2021, the suitability of the implementation of the internal control system with the COSO Internal Control Integrated Framework is explained as follows:

No.	BCA Internal Control Components that are In line with the COSO Internal Control Integrated Framework	Implementation at BCA
1.	Management Oversight and Control Culture Supervision carried out by the Board of Directors in creating and maintaining an effective internal control system and ensuring that the system runs safely and in accordance with BCA's objectives, as well as supervision by the Board of Commissioners on internal control in general, including policies established by the Board of Directors. The Board of Directors and Board of Commissioners are responsible for creating a culture of control.	The Board of Directors creates an internal control structure through the issuance of the BCA Internal Control System Standard Guidelines, operational policies, and procedures. The Board of Commissioners assesses the adequacy of internal control through the Committees under coordination of the Board of Commissioners, among others are the Audit Committee and Integrated Governance Committee.
2.	Risk Recognition and Assessment A series of actions carried out by the Board of Directors in order to identify, analyze, and assess the risks faced by BCA in order to achieve the set targets.	The process of risk identification and assessment is carried out through the establishment of SKMR which aims to ensure that BCA and its Subsidiaries in an integrated manner to mitigate risk properly through identification, measurement, evaluate, control, and report the risks in accordance with the risk management framework and are able to deal with emergency situations that may threat the continuity of BCA's business, in accordance with Board of Directors Decree No. 078/SK/DIR/2018 dated May 28, 2018.

3.	Control Activities and Segregation of Duties Includes control activities that are planned and implemented to control the identified risks, as well as the establishment of control policies and procedures includes ensuring that these policies and procedures are consistently adhered to.	<p>BCA develops control policies and procedures as guidelines for the implementation of work in each work unit. Control policies and procedures are reviewed periodically in accordance with applicable provisions.</p> <p>The implementation of control activities by the work unit is monitored and tested by SKMR and DAI as an independent work unit in the Second and Third Lines. DAI shall submit the monitoring and testing results on the implementation of control activities for each work unit to the Board of Commissioners, Board of Directors, and the Government.</p> <p>The segregation of duties is intended to prevent anyone in their position not to have the opportunity to commit and conceal mistakes or irregularities in implementing the duties at all levels of the organization and across all operational activities.</p>
4.	Accounting, Information and Communication Systems Accounting, information and communication systems that can identify problems that may arise and are used as a medium for exchanging information in the context of carrying out tasks in accordance with their respective responsibilities.	<p>The implementation of accounting, information, and communication systems is supported, among others, through the availability of information system that can produce reports on business activities, financial conditions, implementation of risk management, and compliance with regulations that support implementation of the Board of Directors' and Board of Commissioners' duties.</p>
5.	Monitoring and Correction of Deviations/Weaknesses Continuous monitoring activities on the effectiveness of overall internal control implementation, as well as the reporting process for weaknesses in internal control and corrective actions taken.	<p>DAI regularly monitors and reviews the adequacy of follow-up on audit results by work units and reports the results of follow-up monitoring to the Board of Directors, Board of Commissioners, and Audit Committee on a quarterly basis.</p> <p>The Board of Directors monitors and ensures that the findings and recommendations of DAI, External Auditor, the results of supervision of the Financial Services Authority (OJK), and the results of the supervision of other authorities have been followed up by the relevant work units based on reports from DAI.</p> <p>Changes in the target for completion of follow-up audit results must seek approval from the President Director and the Board Commissioner and reported to the Audit Committee.</p>

Implementation of Internal Control

Based on the internal control framework and components that have been compiled, BCA implements internal controls to ensure the adequacy of financial controls, operational effectiveness and efficiency, and compliance with prevailing laws and regulations.

The implementation of internal control includes, among others:

1. Financial Control

To ensure the successful implementation of strategic plans that support the development of BCA, BCA has implemented the following:

- a. The Board of Directors has prepared and received approval from the Board of Commissioners on strategic plan which is stipulated in the Bank's Business Plan as a blueprint for a 3 (three) year business strategy as well as Annual Work Plan and Budget, which has been distributed to BCA officials who relates to its implementation.
- b. The determination of the strategy has considered the impact of strategic risk on BCA's capital, including capital projections and the Minimum Capital Adequacy Requirement.
- c. The Board of Directors actively conducts discussions/provides input and monitors internal conditions and the development of external factors that directly or indirectly affect BCA's business strategy.
- d. BCA has implemented a financial control process, both to BCA and to members of the BCA Financial Conglomerate in order to monitor BCA's performance

achievements on a regular basis through the Corporate Strategy and Planning Division to improve the growth and performance of BCA and its Subsidiaries.

- e. BCA has ensured that all accounting policies and standards are regularly updated in accordance with the applicable rules and regulations.

2. Operational Control

To be able to support overall operational risk control, BCA has implemented the following:

- a. Establish the organizational structure of BCA as follows:
 - 1) Segregation of duties to prevent a conflict of interest.
 - 2) Supervisor has the function to oversee the internal control at Branch Offices and Head Office on daily basis.
 - 3) Branch Internal Supervision functions to ensure the implementation of internal control at the Branch Office.
 - 4) Regional Office Internal Supervision functions to ensure the implementation of internal control in Regional Offices.
 - 5) Head Office Internal Supervision functions to ensure the implementation of internal controls in certain work units at the Head Office.
 - 6) DAI that is independent of the risk-taking unit to evaluate and assess the adequacy and effectiveness of the corporate governance, risk management, and internal control processes for both BCA and members of the BCA Financial Conglomerate.
 - 7) SKMR and SKK that is independent of the risk-taking units.
 - 8) Anti-Fraud Bureau to increase the effectiveness of anti-fraud strategy implementation for all company activities.
- b. Each banking operational transaction conducted at BCA has working procedure as stated in the work manual, to ensure that operational risks that may exist in these activities have been properly mitigated.
- c. Establish employee rotation and transfer policies.
- d. Determine limits and authority of officers in conducting a transaction.
- e. Establish Information Security Policy, among others: the Use of User ID and password, physical security, and others.

3. Compliance with Applicable Laws and Regulations

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

- a. BCA is committed to comply with applicable laws and regulations and take necessary steps to improve risk weaknesses, if occurs.
- b. BCA has established SKK which is independent of the risk-taking unit and is responsible for monitoring the integrated compliance of BCA and its Subsidiaries.
- c. BCA has:
 - 1) Monitored Compliance Reporting to BI/ OJK/other regulators.
 - 2) Conducted BCA Compliance Reports including APU and PPT Program Implementation Reports to OJK every 6 (six) months.
 - 3) Submitted a Compliance Monitoring Report on BCA's Prudential Provisions, including AML and CFT Program Implementation Reports, to the Board of Commissioners, President Director, and Deputy President Director every 3 (three) months.
- d. Compliance Risk Management strategy is to have a policy to consistently comply with prevailing regulations, which means proactively taking prevention (ex-ante)

in order to minimize the occurrence of violations and taking curative actions (ex-post) for improvements.

Internal Control System Evaluation

The Board of Directors is responsible for ensuring the implementation of a good internal control system to achieve BCA's objectives. The Board of Commissioners is assisted by the Audit Committee and Integrated Governance Committee which is also responsible for supervising the implementation of the internal control system at BCA.

To evaluate the adequacy and effectiveness of the BCA internal control system, throughout 2021, monitoring and correction of irregularities were carried out, among others:

1. BCA continuously evaluates and monitors the overall effectiveness of the implementation of internal control, including changes in internal and external conditions that may affect BCA in achieving its goals.
2. Monitoring activities is prioritized on BCA's key risks and serves as part of daily activities, including periodic evaluations to detect and prevent new risks from arising, either by operational work units, risk monitoring work units or by DAI.
3. DAI evaluates the adequacy and effectiveness of the internal control system independently through the implementation of risk-based audit activities. The results of the evaluation and follow-up are reported to the Board of Commissioners, Audit Committee and Board of Directors.

Statement on the Adequacy and Effectiveness of the Internal Control System

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

5. Provision of Funds to Related Party and Large Exposure

Disclosure regarding provision of funds to related parties (individuals or groups, including the Board of Directors, the Board of Commissioners, Executive Officers of the Bank, and other related parties) and provision of large exposure refers to OJK Circular Letter No. 13/SEOJK.03/2017 concerning Implementation of Good Corporate Governance for Commercial Banks under the Transparency of Governance Implementation section.

Policy on Provision of Funds to Related Parties

Provision of funds to related parties and to debtors in large exposure is 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, among others regarding to the Legal Lending Limit (LLL).

Policy on Provision of Large Exposure

Provision of large exposure is a nominal provision of funds to 1 (one) borrower or 1 (one) group of borrowers other than Related Parties in the amount of 10% or above of the Bank's core capital (Tier 1). The provision of large exposure must be analyzed for its feasibility at least the same or more prudent than the provision of funds to general debtors. The terms and conditions for providing large funds are in accordance with the applicable credit terms and procedures at BCA.

Lending Policy to the Board of Directors and the Board of Commissioners

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

1. Productive Credit and Consumer Credit Guidelines;
2. Policy regarding Credit Approval Mechanism to Related Parties; and
3. The Basic Bank Lending Policy (KDPB) of PT BCA Tbk issued on October 23, 2020 (hereinafter referred to as “The Lending Policy of Board of Directors and Board of Commissioners”)

The lending policy of the Board of Directors and Board of Commissioners regulates that the credit loans to the Board of Directors and the Board of Commissioners are granted on the basis of the fairness principle or arm’s length basis and at market interest rates.

Implementation of Provision of Funds to Related Parties in 2021

During 2021, BCA has implemented policy of provision of funds to related parties, large exposure, and lending to the Board of Directors and the Board of Commissioners in accordance with applicable regulations, which must comply with the following conditions:

1. Provision of funds to related parties and the plan for granting credit to certain large debtors must be decided by the credit severing officer and obtain approval from the Board of Commissioners of BCA.
2. Provision of funds to related parties shall not conflict with the general lending regulations and procedures and must generate reasonable profits for BCA.
3. The credit terms to related parties policy, particularly in regard to credit interest rates and the form or type of loan shall still comply with general credit regulation at BCA.

Provision of funds to related parties and main individual debtors and group debtors (Large Exposure) at BCA during 2021:

Fund Provisioned	Total	
	Debtors/Group	Nominal
To Related Parties	561	Rp10,822,168,820,108.00
To Main Debtors:		
• Individual	50	Rp171,825,303,854,609.00
• Group	30	Rp233,358,030,438,834.00

6. Strategic Plan

The Board of Commissioners and Board of Directors continuously build active communication to align their views with the business strategy of BCA in the banking sector. The Board of Commissioners is responsible for supervising, monitoring and evaluating the implementation of strategic policies of BCA and providing advice to the Board of Directors in accordance with the aims and objectives of BCA’s Article of Association. The Board of Directors is responsible for the process of development, implementation, including review BCA strategy, as well as its implementation in accordance with internal policies and regulatory provisions.

Throughout 2021, the Board of Commissioners and Board of Directors have reviewed, monitored, and supervised the implementation of company’s strategy through Join

Meeting of Board of Directors and Board of Commissioners regarding the Strategic Plan and related work unit.

BCA Strategic Priorities and Projection for 2022

In general, policy direction and strategic moves by BCA in the short to medium term will refer to the following main initiatives:

1) Strengthening the transaction banking franchise through payment settlement service

BCA consistently strengthens payment settlement service as the main growth driver of current account and savings account (CASA).

In that regard, BCA will always improve features and facilities of banking products and services for customer convenience in making transactions. Wider and more integrated payment ecosystem will become one of BCA focuses. Customer base will be expanded, supported by digital platform (digital on-boarding).

All those initiatives are implemented with the support of adequate information technology infrastructure and system security in making transactions.

2) BCA loan disbursement

Amid dynamic economic conditions, BCA will be prudent in driving quality loan growth. BCA will always implement prudent principles, such as loan diversification, to mitigate credit risk, and conduct tight monitoring of loan quality particularly the restructured ones.

BCA looks for new business opportunities through data optimization and deepening various potential industries and existing customers. The Bank explores business potentials from network related to debtors' business.

BCA will continue strengthening loan infrastructure by using technology development and building human resources capacity to accelerate credit processing and debtor acquisition.

3) Solution development and comprehensive services

BCA continues innovating to create more comprehensive financial solutions. With its subsidiaries, BCA offers financial products and services, including: vehicle financing (BCA Finance and BCA Multi Finance); sharia banking (BCA Syariah); brokerage and investment management service (BCA Sekuritas); insurance (BCA General Insurance and BCA Life Insurance); remittance (BCA Finance Ltd); venture capital (PT Central Capital Ventura); and PT Bank Digital BCA whose business starts operating in 2022 through a full digital bank apps namely 'blu'.

Besides collaboration in providing and marketing financial solutions, BCA supports its subsidiaries' capital based on business potentials, and supporting the capacity and capability related to network service and information technology.

In 2022, looking at the economic prospects and the strategic steps that have been set, we expect loan and third party funds growth between 6% - 8% and projects the ROA and ROE ratios in the range of 3% - 4% and 16% - 18%. Entering the year 2022, BCA has set a number of targets as follows:

Target 2022

Category	Target 2022
GDP (Bank Indonesia)	5.0% - 5.5%
GDP (Internal BCA)	5.2%
Loan Growth	6% - 8%
Third Party Funds Growth	6% - 8%
CASA (Current Account & Saving Account) Growth	5%-7%
Net Interest Margin (NIM)	4.9% - 5%
Return on Asset (ROA)	3% - 4%
Return on Equity (ROE)	16% - 18%
Cost to Income Ratio (CIR)	38% - 39%
Cost of Credit (CoC)	0.8% - 1%

7. Transparency of BCA Financial and Non-Financial Conditions That Have Not Been Disclosed in Other Reports

BCA has policies and procedures regarding procedures for implementing transparency of financial and non-financial conditions, including referring to:

- OJK Regulation No. 37/POJK.03/2019 concerning Transparency and Publication of Bank Reports.
- OJK Regulation No. 29/POJK.04/2016 concerning the Annual Report of Issuers or Public Companies.
- OJK Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies.

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

Transparency of Financial Condition

BCA has prepared and presented reports related to the transparency of financial conditions with the procedures, types, and scopes as stipulated in the prevailing OJK Regulation provisions and submitted monthly, quarterly, and annually according to the type of report.

1. Annual Report

- BCA has prepared and submitted an Annual Report to the Financial Services Authority (OJK), shareholders, and other institutions that are required or deemed necessary to obtain it. Annual Report contains information, among others:
 - Highlights of important financial data including shares overview, Board of Commissioners report, Board of Director's report, company profile, management analysis and discussion on business and financial performance, corporate governance, corporate social responsibility, and sustainable finance.
 - Annual Financial Report that has been audited by a Public Accountant and a Public Accounting Firm registered with OJK, which is prepared for 1 (one) financial year and presented with a comparison of the previous 1 (one) financial year, as well as the beginning of the previous comparative year.
 - Statement of responsibility of the Board of Commissioners and Board of

Directors for the accuracy of the contents of the Annual Report. The statement is stated in a statement sheet which is signed by all members of the Board of Commissioners and members of Board of Directors.

- b. The Annual Report has been published on the BCA website - www.bca.co.id.
- c. Audited Annual Financial Statements has been posted on the BCA website - www.bca.co.id and published in the Indonesian language newspapers with wide circulation in Indonesia.

2. Quarterly Publication Report

- a. BCA has announced Quarterly Published Reports on newspapers (1st Semester and 2nd Semester) and BCA website - www.bca.co.id, including reporting Quarterly Published Financial Reports to OJK or stakeholders in accordance with the prevailing OJK Regulation.
- b. Announcement of Quarterly Published Reports on BCA website in the form of Quarterly Published Financial Reports and other reports maintained for at least the last 5 (five) financial years.
- c. Although it is not required, announcement of Quarterly Published Financial Statements in the form of Consolidated Financial Statements of BCA and Subsidiaries are published in 2 (two) newspapers (Semester 1 and Semester 2) and Financial Statements of BCA Parent Entity is carried out in 1 (one) newspaper in the form of financial performance infographics. The newspapers used are daily printed newspapers in the Indonesian language which have wide circulation at the domicile of BCA head office. The Published Quarterly Financial Report is signed by the President Director and 1 (one) member of the Board of Directors of BCA.

3. Monthly Publication Report

- a. BCA has announced the Monthly Published Report on BCA website - www.bca.co.id, including reporting the Monthly Published Report to OJK following the prevailing OJK Regulation.
- b. Announcement of Monthly Published Reports on BCA website in the form of Monthly Published Financial Reports maintained for at least the last 5 (five) financial years.

Transparency of Non-Financial Conditions

BCA has prepared and presented reports related to the transparency of non-financial conditions with the procedures, types, and scopes as stipulated in the prevailing OJK Regulation provisions as well as providing and publishing other information related to non-financial conditions, among others the following:

- 1. Published transparently non-financial conditions to stakeholders, including Periodic LLL Reports to the OJK, corporate governance information through the BCA Governance Implementation Report and published on the BCA website, as well as information on other non-financial conditions which are also transparent in the Analyst Meetings, Press Conferences, Public Expose, and Non-Deal Road Shows, and the BCA website following prevailing regulations.
- 2. Disclosed the transparency of the Ownership Structure in Annual Report and BCA website.

3. Disclosed important and relevant information or facts regarding events, occurrences, or facts that may affect the price of Securities on the Stock Exchange and/or the decisions of investors, potential investors, or other parties with an interest in such information or facts. BCA continuously submits reports of material information or facts through the BCA website and the Indonesia Stock Exchange.
4. BCA has published clear, accurate, and up-to-date information regarding BCA products and/or services in accordance with the provisions of the Financial Services Authority regarding Bank Product Information and Use of Customer Personal Data. This information can be obtained easily by customers, among others through leaflets, brochures, or other written forms at any BCA's branch offices in easily accessible locations, and/or in the form of electronically information provided through hotline service/call center, BCA website, and company's official social account.
5. BCA provides and informs procedures for customer complaints and dispute resolutions for customers in accordance with the provisions of the Financial Services Authority which regulates Customer Complaints and Banking Mediation, among others through BCA website - www.bca.co.id. In addition, mediation in resolving BCA customer complaints is carried out through complaints facilities, including through BCA's Branch Offices or Halo BCA at 1500888 or email halobca@bca.co.id.
6. Prepare complete, accurate, and timely internal reporting which is supported by an adequate management information system. BCA has a reliable BCA management information system and is supported by competent human resources and an adequate IT security system which capable in providing complete, accurate, and timely information to the Board of Directors to be used in supporting BCA's business decision-making processes.
7. Other information that aims to support information disclosure, financial education, and services to the public.

B. The Member of Board of Directors and Board of Commissioners' Share Ownership Amounted to 5% or More of Paid-Up Capital

BCA's policy in reporting share ownership of members of the Board of Directors and the Board of Commissioners refers to Article 21 and Article 39 OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Good Corporate Governance for Commercial Banks, Article 2 OJK Regulation No. 11/POJK.04/2017 concerning Ownership Report or Any Change in Share Ownership of a Public Company, and OJK Circular Letter No. 13/SEOJK.03/2017 concerning the Implementation of Good Corporate Governance for Commercial Banks.

Table of Share Ownership of Members of the Board of Directors with 5% or More as of December 31, 2021

Name	Share Ownership of members of the Board of Directors amounting 5% or more of paid-up capital to:			
	BCA	Other Bank	Non-Bank Financial Institution	Other Companies
Jahja Setiaatmadja	-	-	-	√
Suwigno Budiman	-	-	-	-
Armand Wahyudi Hartono	-	-	-	√
Tan Ho Hien/Subur/Subur Tan	-	-	-	-
Rudy Susanto	-	-	-	-
Lianawaty Suwono	-	-	-	-
Santoso	-	-	-	-
Vera Eve Lim	-	-	-	-
Gregory Hendra Lembong	-	-	-	-
Haryanto T. Budiman	-	-	-	-
Frengky Chandra Kusuma	-	-	-	-
John Kosasih	-	-	-	-
Remarks: √ Have share ownership with amount up to 5% (five percents) or more.				

Table of Total BCA Share Ownership by the Board of Directors in 2021

Director	Year-end Ownership (as of January 1, 2021)	Year-end Ownership (as of January 1, 2021)
Jahja Setiaatmadja	7,905,463	40,797,985 ^{a)}
Suwigno Budiman	7,556,800	38,198,300 ^{a)}
Armand Wahyudi Hartono	851,213	4,256,065 ^{a)}
Subur Tan	2,849,792	14,565,135 ^{a)}
Henry Koenalifi*	908,098	N/A
Erwan Yuris Ang*	1,269,131	N/A
Rudy Susanto	360,411	2,140,040 ^{a)}
Lianawaty Suwono	174,186	1,338,985 ^{a)}
Santoso	264,593	1,741,020 ^{a)}
Vera Eve Lim	115,201	985,265 ^{a)}
Gregory Hendra Lembong	1,800	172,540 ^{a)}
Haryanto T. Budiman	-	180,985 ^{a)}
Frengky Chandra Kusuma**	N/A	1,386,945 ^{a)}
John Kosasih***	N/A	25,000 ^{a)}

Notes:

* Mr. Henry Koenalifi and Mr. Erwan Yuris Ang ended their office terms at the AGMS on March 29, 2021.

** Mr. Frengky Chandra Kusuma served as Director based on OJK Letter No. 39/KDK.03/2021 dated April 26, 2021.

*** Mr. John Kosasih serves as Director of Compliance based on OJK Letter No. 40/KDK.03/2021 dated April 26, 2021.

^{a)} There is a stock split corporate action with a ratio of 1 : 5 on October 13, 2021

Table of Share Ownership of Members of the Board of Commissioners amounted 5% or more as of December 31, 2021

Name	The Board of Commissioners Share Ownership amounted 5% or more on:			
	BCA	Other Banks	Nonbank Financial Institution	Other Companies
Djohan Emir Setijoso	-	-	-	✓
Tonny Kusnadi	-	-	-	✓
Cyrillus Harinowo	-	-	-	✓
Raden Pardede	-	-	-	✓
Sumantri Slamet	-	-	-	-

Note:
✓ Owns shares amounted 5% (five percent) or more.

Table of the BCA Share Ownership by the Board of Commissioners in 2021:

Name	Ownership Amount in Beginning Year (as of January 1, 2021)	Ownership Amount in End of Year (as of December 31, 2021)
Djohan Emir Setijoso	21,200,121	106,217,895 ¹⁾
Tonny Kusnadi	1,217,653	6,762,050 ¹⁾
Cyrillus Harinowo	N/A	N/A
Raden Pardede	N/A	N/A
Sumantri Slamet	N/A	N/A

Note:
¹⁾ There was a stock split with a ratio of 1:5 on October 13, 2021

C. Affiliated Relationships

The affiliated relationships among members of the Board of Directors, the Board of Commissioners, and the Major and/or Controlling Shareholders, either directly or indirectly, include:

- Affiliated relationship among members of the Board of Commissioners and between the members of the Board of Commissioners and the members of the Board of Directors, and the Major and/or Controlling Shareholders, either directly or indirectly.
- Affiliated relationship among the members of the Board of Directors and the members of the Board of Directors and the members of the Board of Commissioners, and the Major and/or Controlling Shareholders, either directly or indirectly.

BCA has disclosed financial and family relationships between the members of the Board of Directors, the Board of Commissioners, and the Major and/or Controlling Shareholders in the Corporate Governance Implementation Report. The disclosure is in line with Article 21 Point b and Article 39 Point b of OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance at Commercial Banks.

Affiliated Relationships Involving the Members of the Board of Directors

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

Table of Affiliated Relationships of the Members of BCA's 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	-	√	-	√	-	√	-	√	-	√	-	√
Suwigno Budiman	Deputy President Director	-	√	-	√	-	√	-	√	-	√	-	√
Armand Wahyudi Hartono	Deputy President Director	-	√	-	√	√	-	-	√	-	√	√	-
Tan Ho Hien/ Subur atau Subur Tan	Director	-	√	-	√	-	√	-	√	-	√	-	√
Rudy Susanto	Director	-	√	-	√	-	√	-	√	-	√	-	√
Lianawaty Suwono	Director	-	√	-	√	-	√	-	√	-	√	-	√
Santoso	Director	-	√	-	√	-	√	-	√	-	√	-	√
Vera Eve Lim	Director	-	√	-	√	-	√	-	√	-	√	-	√
Gregory Hendra Lembong	Director	-	√	-	√	-	√	-	√	-	√	-	√
Haryanto T. Budiman	Director (concurrently Compliance Director)	-	√	-	√	-	√	-	√	-	√	-	√
Frengky Chandra Kusuma	Director	-	√	-	√	-	√	-	√	-	√	-	√
John Kosasih	Director	-	√	-	√	-	√	-	√	-	√	-	√

Affiliated Relationships Involving the Members of the Board of Commissioners

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

Table of Affiliated Relationships of the Members of BCA's Board of Commissioners

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	-	√	-	√	-	√	-	√	-	√	-	√
Cyrellus Harinowo	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Raden Pardede	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√
Sumantri Slamet	Independent Commissioner	-	√	-	√	-	√	-	√	-	√	-	√

D. Remuneration Policy

1. Determination Procedures for the Remuneration of the Board of Commissioners and the Board of Directors

The remuneration of the Board of Commissioners and the Board of Directors is based on the procedures, structures, and indicators set out in BCA's Article of Association as well as the Decree No. 060/SK/KOM/2018 dated April 3, 2018 concerning the Board of Directors and the Board of Commissioners Remuneration Policy, which is in accordance with:

- a. OJK Regulation No. 45/POJK.03/2015 regarding the Implementation of Governance in the Provision of Remuneration at Commercial Banks.
- b. OJK Regulation No. 55/POJK.03/2016 regarding the Implementation of Governance at Commercial Banks.
- c. OJK Circular Letter No. 40/SEOJK.03/2016 regarding the Implementation of Governance in the Provision of Remuneration at Commercial Banks.

The Proposal and Determination of Remuneration's Scheme



Based on the resolution of the BCA Annual GMS held in 2021, power and authority has been given to:

- a. The Board of Commissioners to determine the salary and other allowances for the members of the Board of Directors, taking into account the recommendations of the Remuneration and Nomination Committee.
- b. The BCA majority shareholders to determine the salary and other allowances to be paid to the members of the Board of Commissioners.
- c. The BCA majority shareholders to determine tantiem distribution among the members of the Board of Commissioners and the Board of Directors.

2. Remuneration of the Board of Directors

Indicators for the Determination of the Remuneration for the Members of the Board of Directors

The indicators for the determining of the remuneration of the members of the Board of Directors include:

- 1) Performance of individual member of the Board of Directors.
- 2) Financial performance and reserve fulfillment as stipulated in the Law No. 40 Year 2007 on Limited Liability Companies.
- 3) Fairness.
- 4) BCA's position as compared to several other similar banks, among others, in terms of assets and characteristics.
- 5) Consideration of BCA's long-term goals and strategy.

Remuneration Structure of the Board of Directors

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

Types of Remuneration and Facilities	Amount Received in 1 (one) Year			
	2021		2020	
	Person	Million Rp	Person	Million Rp
Salary, bonus, routine allowance, tantiem, and other non-natura facilities	12	496,055	12	464,414
Other facilities (housing, health insurance, etc):				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
Total	12	496,055	12	464,414

3. Remuneration of the Board of Commissioners

Remuneration Structure of the Board of Commissioners

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

Types of Remuneration and Facilities	Amount Received in 1 (one) Year			
	2021		2020	
	Person	Million Rp	Person	Million Rp
Salary, routine allowance, tantiem, and other non-natura facilities	5	156,560	5	132,750
Other facilities (housing, health insurance, etc):				
1. Can be possessed	-	-	-	-
2. Cannot be possessed	-	-	-	-
Total	5	156,560	5	132,750

E. Share Option

There were no share options received by Board of Directors, the Board of Commissioners and the Executive Officers during 2021.

F. Highest and Lowest Salary Ratios

Salary Ratio	2021	2020
The highest and lowest salary of employees ratio	24.55	22.97
The highest and lowest salary of Board of Directors ratio	2.89	2.7
The highest and lowest salary of Board of Commissioners ratio	1.52	1.62
The highest salary of Board of Directors and highest salary of employees ratio	9.81	8.91
Ratio of Annual compensation of the President Director and median mean of the annual compensation of all employees (other than the President Director)	106.30	90.22

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

1. Board of Directors Meeting

Meeting Policy

The Board of Directors meeting policy in the Board of Directors Charter and/or Articles of Association has regulated, among others:

1. Meeting Mechanism

The Board of Directors' meeting may be held physically or electronically through teleconferencing, video conferencing or other similar electronic media.

2. Meeting Frequency

- a. The Board of Directors' meeting shall be held regularly at least 1 (one) time in a month or at least 12 (twelve) times in a year.
- b. Every member of the Board of Directors must attend at least 75% (seventy-five percent) of the meetings in 1 (one) year.

3. Notice of Meeting

- a. The notice of the Board of Directors' meeting shall be provided by the Board of Directors' Bureau by email to all members of the Board of Directors at least 5 (five) business days prior to the date of the meeting (D-5).
- b. For a Board of Directors' meeting that has been previously scheduled or based on the resolution of the previous Board of Directors' meeting, notice of meeting shall be no necessary.
- c. For a Board of Directors' meeting that is held outside the predetermined schedule, a notice of meeting must be provided no later than 1 (one) day prior to the date of the Board of Directors' meeting, or within a shorter period in an urgent situation.
- d. The notice of meeting must contain the agenda (date, time, venue, and topics) as well as the meeting materials.
- e. The members of the Board of Directors shall give confirmation of their attendance to the Board of Directors' Bureau.

4. Meeting Schedule and Materials

- a. The Board of Directors shall set the schedule for the Board of Directors' meeting as well as the joint meeting between the Board of Directors and the Board of Commissioners for the following year before the end of the financial year and upload it to the BCA website.
- b. For a scheduled meeting, the meeting materials shall be provided to the participants no later than 5 (five) business days before the meeting date (D-5).
- c. For a meeting that is held outside the predetermined schedule, the meeting materials shall be provided to the participants at least before the start of the meeting.

5. Quorum and Meeting Resolutions

- a. The Board of Directors' meeting shall be valid and entitled to adopt binding resolutions if more than $\frac{1}{2}$ (one half) of all members of the Board of Directors are present or represented in the meeting.
- b. All strategic policies and resolutions must be decided through the Board of Directors' meeting, subject to the supervision by the Board of Commissioners according to its duties and responsibilities.
- c. The Board of Directors' meeting shall adopt resolutions by prioritizing deliberation for a consensus.
- d. If such consensus cannot be reached, the resolutions shall be adopted by voting on the affirmative votes of more than $\frac{1}{2}$ (one half) of the total valid votes cast in the relevant meeting.
- e. The Board of Directors may also adopt valid resolutions without holding the Board of Directors' meeting, provided that all members of the Board of Directors have been notified in writing and give their approval for the proposals and sign such

approval. Any resolutions adopted in such manner shall have the same force as those validly adopted in the Board of Directors' meeting.

- f. All resolutions adopted by the Board of Directors shall be binding on and shall become the responsibility of all members of the Board of Directors.
6. A member of the Board of Directors can only be represented by another member of the Board of Directors under a Special Power of Attorney made for the purpose of the relevant meeting provided that it does not impair the voting right in connection with:
 - a. the attendance quorum and
 - b. the quorum for adopting resolutions under the power granted so that his/her voting right is taken into account in the meeting quorum.
 7. Minutes of Meeting
 - a. The outcomes of the Board of Directors' meeting must be recorded in the Minutes of Meeting, which shall be signed by all members of the Board of Directors present and circulated to all members of the Board of Directors.
 - b. The minutes of the Board of Directors' meeting must be properly documented according to the applicable regulations.
 - c. Any dissenting opinion, as well as the reasons therefor, must be expressly set out in the Minutes of Meeting.

Implementation

Throughout 2021, the Board of Directors held 53 (fifty-three) Board of Directors' meetings which were held physically and via teleconference. BCA has fulfilled OJK Regulation regarding the minimum frequency of the Board of Directors' meeting.

The Board of Directors' meeting frequency and attendance of members of the Board of Directors throughout 2021 are as follows:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	53	53	100%
Suwignyo Budiman	Deputy President Director	53	48	91%
Armand Wahyudi Hartono	Deputy President Director	53	52	98%
Tan Ho Hlen/Subur/ Subur Tan	Director	53	52	98%
Henry Koenafi*	Director	12	5	42%
Erwan Yuris Ang*	Independent Director	12	5	42%
Rudy Susanto	Director	53	53	100%
Lianawaty Suwono	Director	53	48	91%
Santoso	Director	53	52	98%
Vera Eve Lim	Director	53	50	94%
Gregory Hendra Lembong	Director	53	47	89%
Haryanto T. Budiman	Director (concurrently serving as Director of Compliance)	53	45	85%
Frengky Chandra Kusuma**	Director	37	33	89%
John Kosasih***	Director	37	31	84%

Notes:

* Mr. Henry Koenafi and Mr. Erwan Yuris Ang ended their office term at the AGMS on March 29, 2021.

** Mr. Frengky Chandra Kusuma serves as Director based on OJK Letter No. 39/KDK.03/2021 dated April 26, 2021.

*** Mr. John Kosasih serves as Director of Compliance based on OJK Letter No. 40/KDK.03/2021 dated April 26, 2021.

The number of meetings is adjusted to their term of office.

Board of Directors Meeting Plan 2022

BCA has scheduled the Board of Directors' meeting for 2022 as follows:

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

The schedule of Board of Directors' meeting plan above may change at any time according to the circumstances.

The schedule of Board of Directors' meeting plan for 2022 has been published on the BCA website since December 2021 and can be accessed at <https://www.bca.co.id/en/tentang-bca/tata-kelola/Struktur-Organisasi>.

2. Board of Commissioners Meeting

Meeting Policy

The Board of Commissioners meeting policy in the Board of Commissioner Charter and/or Articles of Association has regulated, among others:

1. Meeting Mechanism

The Board of Commissioners' meeting may be held physically or electronically through teleconferencing, video conferencing or other similar electronic media.

2. Meeting Frequency

- The Board of Commissioners' meeting shall be held regularly at least 1 (one) time in 2 (two) months or at least 6 (six) times in 1 (one) year.
- Every member of the Board of Commissioners must attend at least 75% (seventy-five percent) of the meetings in 1 (one) year.

3. Notice of Meeting

- For a Board of Commissioners' meeting that has been previously scheduled or based on the resolution of the previous Board of Commissioners' meeting, notice of meeting shall be no necessary.
- For a Board of Commissioners' meeting that is held outside the predetermined schedule, notice of meeting must be provided no later than 1 (one) day prior to the date of the Board of Commissioners' meeting, or within a shorter period in an urgent situation.
- The notice of the Board of Commissioners' meeting must contain the agenda, date, time, mechanism and venue of the Meeting and accompanied with the meeting materials.
- The notice of the Board of Commissioners' meeting must be in writing and delivered to each member of the Board of Commissioners by registered mail or

by courier service or by email or by any other means deemed effective by the Board of Commissioners.

4. Meeting Schedule and Materials

- a. The Board of Commissioners shall set the schedule for the Board of Commissioners' meeting or the Board of Commissioners' meeting by inviting the Board of Directors for the following year before the end of the financial year and upload it to the BCA website.
- b. For a scheduled meeting, the meeting materials shall be provided to the participants no later than 5 (five) business days before the meeting date (D-5).
- c. For a meeting that is held outside the predetermined schedule, the meeting materials shall be provided to the participants at least before the start of the meeting.

5. Quorum and Meeting Resolutions

- a. The Board of Commissioners' meeting shall be valid and entitled to adopt binding resolutions if more than $\frac{1}{2}$ (one half) of all the incumbent members of the Board of Commissioners are present or represented in the meeting.
- b. The Board of Commissioners' meeting shall adopt resolutions by prioritizing deliberation for a consensus.
- c. If such consensus cannot be reached, the resolutions shall be adopted by voting on the affirmative votes of more than $\frac{1}{2}$ (one half) of the total valid votes cast in the relevant meeting.
- d. The Board of Commissioners may also adopt valid resolutions without holding the Board of Commissioners' meeting, provided that all members of the Board of Commissioners have been notified in writing and give their approval for the proposals and sign such approval. Any resolutions adopted in such manner shall have the same force as those validly adopted in the Board of Commissioners' meeting.
- e. All resolutions adopted by the Board of Commissioners shall be binding on and shall become the responsibility of all members of the Board of Commissioners.

6. A member of the Board of Commissioners can only be represented in the Board of Commissioners' meeting by another member of the Board of Commissioners under a Special Power of Attorney made for the purpose of the meeting.

7. Minutes of Board of Commissioners' meeting

- a. The outcomes of the Board of Commissioners' meeting must be recorded in the Minutes of Meeting, which shall be signed by all members of the Board of Commissioners present.
- b. The Minutes of Meeting must be properly documented according to the applicable regulations.
- c. Any dissenting opinion, as well as the reasons therefor, shall be expressly set out in the minutes of the Board of Commissioners' meeting.

Implementation

Throughout 2021, BCA held 33 (thirty-three) Board of Commissioners' meetings which were held physically and via teleconference. BCA has fulfilled OJK Regulation regarding the minimum frequency of the Board of Commissioners' meeting.

The Board of Commissioners' meeting frequency and attendance of members of the Board of Commissioners throughout 2021 are as follows:

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	33	32	97%
Tonny Kusnadi	Commissioner	33	32	97%
Cyrrillus Harinowo	Independent Commissioner	33	32	97%
Raden Pardede	Independent Commissioner	33	32	97%
Sumantri Slamet	Independent Commissioner	33	33	100%

Board of Commissioners Meeting Plan 2022

BCA has scheduled the Board of Commissioners' meeting for 2022 as follows:

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

The schedule of Board of Commissioners' meeting plan above may change at any time according to the circumstances.

The schedule of Board of Commissioners' meeting plan for 2022 has been published on the BCA website since December 2021 and can be accessed at <https://www.bca.co.id/en/tentang-bca/tata-kelola/Struktur-Organisasi>.

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

Meeting Policy

The joint meeting policy has been included in the Board of Directors' Charter and the Board of Commissioners' Charter as well as the Articles of Association. The policy regulates, among others:

1. Meeting Mechanism

The joint meeting may be held physically or electronically through teleconferencing, video conferencing or other similar electronic media.

2. Meeting Frequency

The Board of Commissioners and the Board of Directors shall hold a joint meeting on a regular basis at least 1 (one) time in 4 (four) months.

3. Notice of Meeting

- For a joint meeting that has been previously scheduled or based on the resolution of the previous joint meeting, notice of meeting shall be no necessary.

- b. For a meeting that is held outside the predetermined schedule, notice of meeting must be provided no later than 1 (one) day prior to the date of the meeting, or within a shorter period in an urgent situation.
 - c. The notice of meeting must contain the agenda, date, time, mechanism and venue of the meeting and accompanied with the meeting materials.
 - d. The notice of meeting must be in writing and delivered to the participants by registered mail or by courier service or by email or by any other means deemed effective.
- 4. Meeting Schedule and Materials
 - a. The Board of Commissioners and the Board of Directors shall set the schedule for the joint meeting for the following year before the end of the financial year.
 - b. For a scheduled meeting, the meeting materials shall be provided to the participants no later than 5 (five) business days before the meeting date.
- 5. Quorum and Meeting Resolutions
 - a. The meeting shall be valid and entitled to adopt binding resolutions if more than $\frac{1}{2}$ (one half) of all members of the Board of Commissioners and the Board of Directors are present or represented in the meeting.
 - b. The joint meeting shall adopt resolutions by prioritizing deliberation for a consensus.
 - c. If such consensus cannot be reached, the resolutions shall be adopted by voting on the affirmative votes of more than $\frac{1}{2}$ (one half) of the total valid votes cast in the relevant meeting.
 - d. All resolutions adopted at the joint meeting are binding.
- 6. A member of the Board of Directors can only be represented by another member of the Board of Directors and a member of the Board of Commissioners can only be represented by another member of the Board of Commissioners under a Special Power of Attorney made for the purpose of the meeting.
- 7. Minutes of Meeting
 - a. The outcomes of the meeting must be recorded in the Minutes of Meeting, which shall be signed by all members of the Board of Directors and the Board of Commissioners present and circulated to all members of the Board of Directors and the Board of Commissioners.
 - b. Any dissenting opinion, as well as the reasons therefor, shall be expressly set out in the Minutes of Meeting.

Implementation

Throughout 2021, the Board of Commissioners and the Board of Directors held 11 joint meetings which were held physically and via teleconference.

Attendance Frequency of the Board of Commissioners in Joint Meetings of the Board of Commissioners and the Board of Directors in 2021:

Name	Position	Number of Meeting	Attendance	Percentage
Djohan Emir Setijoso	President Commissioner	11	10	91%
Tonny Kusnadi	Commissioner	11	9	82%
Cyrellus Harinowo	Independent Commissioner	11	10	91%
Raden Pardede	Independent Commissioner	11	8	73%
Sumantri Slamet	Independent Commissioner	11	11	100%

Attendance Frequency of the Board of Directors in Joint Meetings of the Board of Commissioners and the Board of Directors in 2021:

Name	Position	Number of Meeting	Attendance	Percentage
Jahja Setiaatmadja	President Director	11	11	100%
Suwigno Budiman	Deputy President Director	11	11	100%
Armand Wahyudi Hartono	Deputy President Director	11	11	100%
Tan Ho Hien/Subur/ Subur Tan	Director	11	10	91%
Henry Koenalifi*	Director	2	2	100%
Erwan Yuris Ang*	Independent Director	2	1	50%
Rudy Susanto	Director	11	11	100%
Lianawaty Suwono	Director	11	9	82%
Santoso	Director	11	10	91%
Vera Eve Lim	Director	11	11	100%
Gregory Hendra Lembong	Director	11	7	64%
Haryanto T. Budiman	Director (concurrently serving as Director of Compliance)	11	10	91%
Frengky Chandra Kusuma**	Director	9	9	100%
John Kosasih***	Director	9	9	100%

Notes:

* Mr. Henry Koenalifi and Mr. Erwan Yuris Ang ended their office term at the AGMS on March 29, 2021.

** Mr. Frengky Chandra Kusuma serves as Director based on OJK Letter No. 39/KDK.03/2021 dated April 26, 2021

*** Mr. John Kosasih serves as Director of Compliance based on OJK Letter No. 40/KDK.03/2021 dated April 26, 2021.

The number of meetings is adjusted to their term of office.

Joint Meeting of the Board of Commissioners and the Board of Directors Plan 2022

BCA has scheduled the joint meeting of the Board of Commissioners and the Board of Directors for 2022 as follows:

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

The schedule of joint meeting of the Board of Commissioners and the Board of Directors above may change at any time according to the circumstances.

The schedule of joint meeting of the Board of Commissioners and the Board of Directors plan for 2022 has been published on the BCA website since December 2021 and can be accessed at <https://www.bca.co.id/en/tentang-bca/tata-kelola/Struktur-Organisasi>.

H. Internal Fraud

Disclosure of irregularities (internal fraud) is carried out in line with Article 64 of the OJK Regulation No. 55/POJK.03/2016 concerning the Implementation of Governance at Commercial Banks and Chapter IX number 5 of the OJK Circular Letter No.13/SEOJK.03/2017 concerning the Implementation of Governance at Commercial Banks which included forms of irregularities (internal fraud), violations of the code ethic, namely fraud committed by the members of the Board of Directors, the members of the Board of Commissioners, and permanent, temporary and/or outsourced employees. The nominal deviation disclosed is a deviation of more than Rp100,000,000.00 (one hundred million rupiahs).

Fraud Violations Performed by the Management, and Permanent and Non-Permanent Employees

Deviation During 1 Year	Members of the Board of Directors and the Board of Commissioners		Permanent Employees		Temporary Employees and Outsourced Workers	
	2020	2021	2020	2021	2020	2021
Total Fraud	-	-	9	1	-	1
Has been completed	-	-	9	1	-	-
Internal investigation by BCA	-	-	-	-	-	-
Completion processed has not been conducted	-	-	-	-	-	-
Elevated to legal process	-	-	-	-	-	1

I. Legal Cases

BCA was involved in the following civil and criminal legal cases during 2021, 2020, and 2019.

1. Criminal Cases

Details of criminal cases involving BCA during 2021, 2020 and 2019:

Criminal Cases	2021	2020	2019
Legally settled (a verdict has been issued with legal power)	6	9	8
In the process of settlement	4	4	5
Total	10	13	13

During 2021, criminal cases in Court regarding BCA's reports against customers, employees, or other third parties include cases concerning alleged criminal acts of theft, embezzlement, fraud, forgery of letters, unauthorized dissemination and/or destruction of electronic documents. All these cases did not involve a material loss greater than Rp. 1 billion.

Meanwhile, there were no criminal cases in Court initiated by customers, employees, or other third parties against BCA.

2. Civil Cases

Details of civil cases involving BCA during 2021, 2020 and 2019:

Civil Cases	2021	2020	2019
Legally settled (a verdict has been issued with legal power)	92	118	123
In the process of settlement	148	145	144
Total	240	263	267

Civil cases involving BCA occurred due to:

- 1) Claims related to accounts of the heir of a customer.
- 2) Claims/resistance from customer related to account confiscation/blocking carried out by BCA at the request of the Court, Tax Office, or other third parties.
- 3) Claims from customers/other third parties related to payment transactions, transfers, balances, and/or disbursement of scripts.
- 4) Claims related to the use and payment of credit card bills.
- 5) Third-party lawsuits related to land/office building disputes belonging to BCA.
- 6) Lawsuits related to accounts of legal entities in connection with disputes between management of legal entities and/or associations.
- 7) BCA's lawsuits related to the settlement of bad loans and saving collateral.
- 8) Lawsuit/rebuttal from the debtor (husband/wife), owner of the collateral, and/or other parties related to the confiscation of foreclosed collateral.
- 9) Claims/objections from debtors (husband/wife) and or third parties related to credit and/or collateral.
- 10) Lawsuits related to Industrial Relations.

Throughout 2021, BCA did not face any significant risks associated with any legal issues. Based on the self-assessment result, BCA's legal risk level was "low."

3. Legal Cases Faced by the Subsidiaries

Details of legal cases involving the bank's subsidiaries during 2021:

Subsidiary	Case Status	Civil	Criminal
PT BCA Finance	Legally settled (a verdict has been issued with legal power)	44	0
	In settlement process	56	0
PT BCA Multi Finance	Legally settled (a verdict has been issued with legal power)	2	2
	In settlement process	1	1
BCA Finance Ltd	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	0	0
PT BCA Syariah	Legally settled (a verdict has been issued with legal power)	4	0
	In settlement process	15	0
PT Asuransi Umum BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	1	0
PT Asuransi Jiwa BCA	Legally settled (a verdict has been issued with legal power)	1	0
	In settlement process	1	0
PT BCA Sekuritas	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Central Capital Ventura	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	0	0
PT Bank Digital BCA (before was PT Bank Royal Indonesia)	Legally settled (a verdict has been issued with legal power)	0	0
	In settlement process	1	0

Significant Cases and Administrative Sanctions

1. Significant Cases Faced by the Members of the Board of Directors and the Members of the Board of Commissioners of BCA

Throughout 2021, all members of the Board of Directors and the Board of Commissioners who are currently serving had not been involved in any significant cases, both criminal and/or civil.

2. Significant Cases Faced by the Members of the Board of Directors and the Members of the Board of Commissioners of the Subsidiaries

Throughout 2021, all members of the Board of Directors and the Board of Commissioners of the Subsidiaries had not been involved in any significant cases, both criminal and civil.

Impact of Legal Cases on BCA and the Subsidiaries

All legal cases faced by BCA and its Subsidiaries throughout 2021 did not affect the position and business continuity of BCA and its Subsidiaries.

3. Administrative Sanctions from Other Authorities

Throughout 2021, the OJK or other authorities imposed no administrative sanctions on the BCA, the members of the Board of Directors, and/or the members of the Board of Commissioners, which could affect BCA's business continuity.

J. 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.

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:

- a. 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.
- b. 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.

K. Shares and/or Bonds Buyback

Buyback of shares or bonds is a means to reduce the number of shares or bonds that have been issued by BCA by repurchasing the shares or bonds, and its payment procedure is carried out in accordance with prevailing regulations. BCA did not conduct any buyback of shares or bonds during 2021.

L. Provision of Funds for Social Activities

BCA actively contributes towards the improvement of community welfare and environmental conditions through an activity program namely “Bakti BCA” as a form of Corporate Social Responsibility.

Bakti BCA activity program is focused on 3 (three) main pillars, namely:

I. BCA Smart Solutions

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 Solutions

1. Bakti BCA on Culture
2. Bakti BCA on Health
3. Bakti BCA on Environment
4. Bakti BCA Empathy

III. BCA’s Superior Business Solutions

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

In addition to these programs, BCA also participates in giving making donations to social institutions.

M. Provision of Funds for Political Activities

BCA did not provide funds for political activities throughout 2021 and previous years.

2. Self-Assessment Result on the Implementation of Good Corporate Governance

Name : PT Bank Central Asia Tbk

Position : December 31, 2021

Self-Assessment Result of the Implementation of Good Corporate Governance in Individual

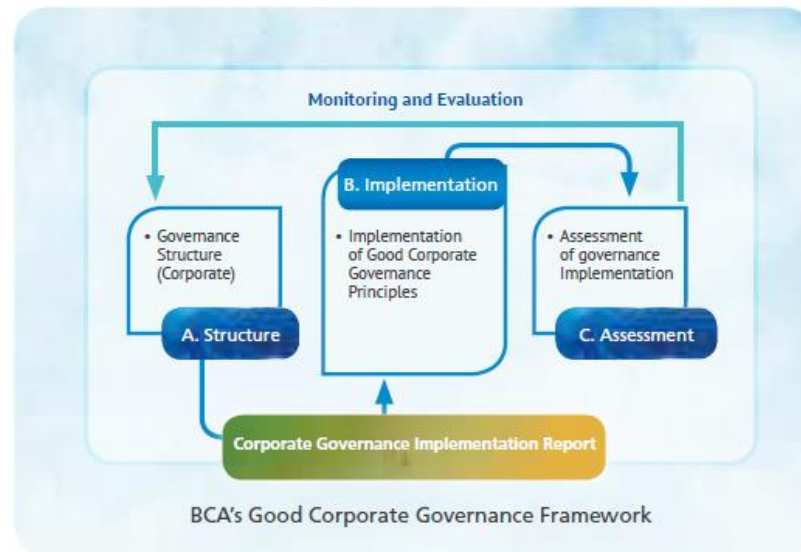
	Rank	Definition of Rank
1 st Semester	1	BCA's management has applied very good governance. The results are reflected in the adequacy of the principles of governance. If flaws existed in the implementation of the principles of governance, generally they were insignificant and could be resolved by normal actions taken by BCA's management.
2 nd Semester	1	BCA's management has applied very good governance. The results are reflected in the adequacy of the principles of governance. If flaws existed in the implementation of the principles of governance, generally they were insignificant and could be resolved by normal actions taken by BCA's management.

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

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

3. Good Corporate Governance Framework and Action Plan

BCA's good corporate governance framework:



The Good Corporate Governance framework at BCA consists of a governance structure as the foundation, implementation as the embodiment of the governance principles, and the assessment of implementation of corporate governance as a parameter of measurement. This parameter is applied by BCA organs to ensure continuous improvement in the implementing of the Good Corporate Governance principles. The disclosure of the corporate governance framework is stipulated in the Corporate Governance Implementation Report.

BCA applies the PDCA principles (Plan, Do Check, Act) to support implementation of the GCG Framework.

