Background

One concrete manifestation of the implementation of good corporate governance by the Company is its commitment to continuously improve and update the manual or guidelines under which corporate governance shall be implemented.

As you may already know, in April 2002 the Company issued its first Good Corporate Governance (GCG) Manual. Back then, the GCG Manual was drawn up after the banks participating in the recapitalization (Recapitalization Banks) and the Indonesian Bank Restructuring Agency (IBRA) entered into an agreement, which required the Recapitalization Banks to implement good corporate governance and to have a GCG Manual. In the period between 1997 and 1999 Indonesia was badly hit by an economic and monetary crisis, which occurred, among others, because many companies had not implemented GCG consistently, and especially because there was a lack of business ethics and weak law enforcement in Indonesia.

In early 2006, Bank Indonesia (BI) as the Indonesian central bank issued Regulation of Bank Indonesia No. 8/4/PBI/2006 dated 30-1-2006 on the Implementation of Good Corporate Governance for Commercial Banks, as amended by Regulation of Bank Indonesia No. 8/14/PBI/2006 dated 5-10-2006 on the Amendment to Regulation of Bank Indonesia No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance for Commercial Banks (hereinafter referred to as “BI Reg 2006 on GCG”), and this prompted the Company to revise its GCG Manual in 2012 in compliance with such regulations. Later, in 2015 the Company made further revisions to its GCG Manual, adding a section on Supporting Committees for the Board of Directors and a section on the Company’s anti-fraud strategies.

The increasingly complex problems in the Indonesian business sector, especially those relating to corporate governance, have prompted the competent regulatory agencies, among others, the Financial Services Authority (Otoritas Jasa Keuangan, OJK), Bank Indonesia (BI), and the Indonesia Stock Exchange to issue various regulations as the regulatory framework for the implementation of good corporate governance for banks, public companies and/or listed companies, and other financial services institutions. The regulations on GCG include Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated 7 December 2016 on the Implementation of Good Corporate Governance for Commercial Banks (replacing BI Reg 2006 on GCG) as well as its implementing regulations, namely Circular of the Financial Services Authority No.13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Good Corporate Governance for Commercial Banks (replacing Circular of Bank Indonesia No.15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks) and Regulation of the Financial Services Authority No. 21/POJK.04/2015 dated 16 November 2015 on the Implementation of Good Corporate Governance Guidelines for Public Limited Companies as well as its implementing regulation, namely Circular of the Financial Services Authority No. 32/SEOJK.04/2015 dated 17 November 2015 on Good Corporate
Governance Guidelines for Public Limited Companies.

Due to the issuance of new rules and regulations and the revocation of several rules and regulations under which the 2012, 2015 and 2017 versions of the GCG Manual had been made, in 2018 the Company deemed it necessary to update the GCG Manual, hereinafter referred to as the "Good Corporate Governance Manual" in accordance with the latest regulatory framework and ethical values which develop in practice.

Purposes and Objectives

This Good Corporate Governance Manual is intended as terms of reference for the Company in implementing good corporate governance in order to:

1. Encourage the Company's management based on the principles of good corporate, i.e.:
   - transparency,
   - accountability,
   - responsibility,
   - independence, and
   - fairness.

2. Encourage empowerment of the function and independence of each organ of the Company, namely the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors.

3. Encourage the Company to make decisions and take actions on the basis of high moral values and in compliance with the prevailing laws and regulations.

4. Optimize the Company's value in favour of its shareholders, by also taking into consideration the interests of other stakeholders.

5. Stimulate the Company's awareness of its social responsibility (Corporate Social Responsibility).
Scope
The Good Corporate Governance Manual includes, among others, the following:

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| I – Good Corporate Governance Policy | • Principles of Good Corporate Governance  
• Company’s Vision and Mission  
• Corporate Values  
• Corporate Code of Ethics  
• General Meeting of Shareholders (GMS)  
• Board of Commissioners  
• Supporting Committees for the Board of Commissioners  
• Board of Directors  
• Compliance Function  
• Internal Audit Function  
• External Audit Function  
• Communication and Information Function  
• Risk Management Implementation  
• Anti-Fraud Strategies  
• Information Transparency  
• Corporate Strategic Plan  
• Implementation of Integrated Corporate Governance (ICG) |
| II – Implementation Procedures | • Guidelines on Conducting the General Meeting of Shareholders  
• Charter and Terms of Reference for the Board of Commissioners  
• Charter and Terms of Reference for the Supporting Committees for the Board of Commissioners  
• Charter and Terms of Reference for the Board of Directors  
• Self-Assessment Report on the Implementation of Corporate Governance  
• Self-Assessment Report on the Implementation of Integrated Corporate Governance  
• Annual Report on the Implementation of the Company’s Corporate Governance  
• Annual Report on the Implementation of Integrated Corporate Governance |

Legal Grounds
The Legal Grounds for the establishment of the Good Corporate Governance Manual are as follows:

1. Law of the Republic of Indonesia No. 8 of 1995 on Capital Markets;  
2. Law No. 40 of 2007 on Limited Liability Companies;
3. Regulation of Bank Indonesia No.3/22/PBI/2001 on Transparency of Bank’s Financial Condition;
4. Regulation of Bank Indonesia No. 8/13/PBI/2006 on Amendment to Regulation of Bank Indonesia No. 7/3/2005 on the Legal Lending Limit for Commercial Banks;
5. Regulation of Bank Indonesia No.11/1/PBI/2009 on Commercial Banks;
6. Regulation of Bank Indonesia No. 12/23/PBI/2010 on Fit and Proper Tests;
12. Regulation of the Financial Services Authority No. 18/POJK.03/2014 on the Implementation of Integrated Corporate Governance for Financial Conglomerates;
13. Regulation of the Financial Services Authority No. 32/POJK.04/2014 on the Plan and Organisation of General Meetings of Shareholders of Public Limited Companies;
14. Regulation of the Financial Services Authority No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Listed Companies or Public Companies;
15. Regulation of the Financial Services Authority No. 34/POJK.04/2014 on the Remuneration and Nomination Committee in Listed Companies or Public Companies.
16. Regulation of the Financial Services Authority No. 35/POJK.04/2014 on Corporate Secretaries of Listed Companies or Public Companies;
17. Regulation of the Financial Services Authority No. 21/POJK.04/2015 on the Implementation of Good Corporate Governance Guidelines for Public Limited Companies;
18. Regulation of the Financial Services Authority No.31/POJK.04/2015 on Transparency in Material Information or Facts by Listed Companies or Public Companies;
19. Regulation of the Financial Services Authority No 45/POJK.03/2015 on the Implementation of Good Corporate Governance in the Payment of Remuneration for Commercial Banks;
20. Regulation of the Financial Services Authority No. 55/POJK.04/2015 on the Formation of and Guidelines for the Work Implementation of the Audit Committee;
21. Regulation of the Financial Services Authority No. 56/POJK.04/2015 on the
22. Regulation of the Financial Services Authority No.4/POJK.03/2016 on the Assessment of Commercial Banks' Soundness Level;
23. Regulation of the Financial Services Authority No. 5/POJK.03/2016 dated 26 January 2016 on Bank Business Plans;
24. Regulation of the Financial Services Authority No. 18/POJK.03/2016 on the Implementation of Risk Management for Commercial Banks;
25. Regulation of the Financial Services Authority No. 27/POJK.03/2016 on the Fit and Proper Test for the Main Party of Financial Services Institutions;
26. Regulation of the Financial Services Authority No.29/POJK.04/2016 on Annual Reports for Listed Companies or Public Companies;
27. Regulation of the Financial Services Authority No.32/POJK.03/2016 on the Amendment to Regulation of the Financial Services Authority No.6/POJK.03/2015 on Transparency and Publication of Bank Reports;
28. Regulation of the Financial Services Authority No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks;
29. Regulation of the Financial Services Authority No.10/POJK.04/2017 on the Amendment to Regulation of the Financial Services Authority No.32/POJK.04/2014 on the Plan and Organisation of General Meetings of Shareholders of Public Limited Companies;
30. Regulation of the Financial Services Authority No. 11/POJK.04/2017 on the Report on Share Ownership or Change to Share Ownership in Public Limited Companies;
31. Regulation of the Financial Services Authority No. 12/POJK.01/2017 on the Implementation of Anti-Money Laundering and Terrorism Financing Prevention Program in the Financial Services Sector;
32. Regulation of the Financial Services Authority No. 13/POJK.03/2017 on the Use of Public Accountant and Public Accounting Firm Services in Financial Services Activities;
33. Regulation of the Financial Services Authority No.46/POJK.03/2016 on the Implementation of the Compliance Function for Commercial Banks;
34. Circular of the Financial Services Authority No.6/SEOJK.04/2014 on the Procedure for Electronic Submission of Reports by Listed Companies or Public Companies;
36. Circular of the Financial Services Authority No. 15/SEOJK.03/2015 on the Implementation of Integrated Corporate Governance for Financial Conglomerates;
37. Circular of the Financial Services Authority No.32/SEOJK.03/2016 on Good Corporate Governance Guidelines for Public Limited Companies;
38. Circular of the Financial Services Authority No.30/SEOJK.04/2016 on the Form and Substance of the Annual Report of Listed Companies or Public Companies;
40. Circular of the Financial Services Authority No.39/SEOJK.03/2016 on the Fit and Proper Test for Prospective Controlling Shareholders, Prospective Members of the Board of Directors and Prospective Members of the Board of Commissioners of Banks;

41. Circular of the Financial Services Authority No.40/POJK.04/2016 on the Implementation of Good Corporate Governance in the Payment of Remuneration for Commercial Banks;

42. Circular of the Financial Services Authority No.13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks;

43. Circular of the Financial Services Authority No.14/SEOJK.03/2017 on the Assessment of Commercial Banks’ Soundness Level;

44. Circular of the Financial Services Authority No. 32/SEOJK.03/2017 on the Implementation of Anti-Money Laundering and Terrorism Financing Prevention Program in the Banking Sector;

45. Circular of the Financial Services Authority No.36/SEOJK.03/2017 on the Use of Public Accountant and Public Accounting Firm Services in Financial Services Activities;

46. Regulation of the Indonesia Stock Exchange No. I-E, Attachment to Decision of the Board of Directors of PT. Bursa Efek Indonesia No: KEP-306/BEJ/07-2004 on the Obligation to Provide Information;

47. Decision of the BEJ Board of Directors No. 339/BEJ/07-2001 dated 20 July 2001 on the Amendment to the provisions of Item C.2.e. of Regulation on Securities Listing Number I-A: on the General Provisions on the Listing of Equity Securities at the Stock Exchange;

48. Internal Audit Charter;

49. Company’s Articles of Association.
Contact us
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